The Colony, Texas

THE SKY'S THE LIMIT

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023

THE
COLONY
City by the Lake

CITY OF THE COLONY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

As Prepared By

The Finance Department

THE
COLONY
City by the Lake

CITY OF THE COLONY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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INTRODUCTORY SECTION

THE
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City by the Lake

March 28, 2024

The Honorable Mayor and Members of the City Council City of The Colony, Texas

The Finance Department of the City of The Colony is pleased to submit the Annual Comprehensive Financial Report of the City of The Colony, Texas, for the fiscal year ended September 30, 2023.

This report is published to provide the City Council, Management Staff, our Citizens and other interested parties with detailed information concerning the financial condition and performance of the City Government. Responsibility for the accuracy and completeness of the presented data and the fairness of the presentation, including all disclosures, rests with the City of The Colony.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

THE REPORT

The Financial Section includes the Management's Discussion and Analysis (MD&A) and basic financial statements. This section also includes the auditor's report on the basic financial statements. The MD&A provides narrative introduction, overview, and analysis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Statistical Section includes selected tables of comparative economic and financial data, generally presented on a multi-year basis, as well as demographic and other pertinent miscellaneous and operational statistics.

The Financial Statements included in this report were prepared in accordance with accounting principles generally accepted in the United States of America for local governments as prescribed by the Governmental Accounting Standards Board (GASB), The National Council on Governmental Accounting (NCGA), and the American Institute of Certified Public Accountants (AICPA). The financial statements have been audited by the independent accounting firm of Certified Public Accountants, Weaver and Tidwell, L.L.P., whose report is included herein.

POPULATION

The City's population has grown steadily since the early 2000's and is currently estimated at 55,000. Most recent residential growth is due to continued development at the Tribute (formerly known as Wynnewood Peninsula) and Austin Ranch just south of SH121.

The City's 2023 Ad Valorem tax base increased from the prior year by a little over 14.2% or $847 million to $6.815 billion.

Sales tax revenues in the General Fund increased by $386,000 or 3.4% from the previous year due to increased and new economic activity as more retail and entertainment options are opened in The Colony. Sales tax revenues represents approximately 15.4% of the City's General Fund total income.

Water and sewer revenues in 2022-2023 increased by about $1.8 million dollars to $27.4 million due primarily to drier summer months resulting in more water usage.

Ad Valorem Tax Rate

Ad Valorem tax rate was reduced from $.6500 to $.6450 per $100 valuation for fiscal year 2022-2023. Council's expectation is to continue to reduce the tax rate as additional revenues from growth and increased property valuations permit.

Fund Balance - General Fund

Reserves in the General Fund increased by a little over $11.2 million from the prior fiscal year to a little over $41.3 million or 209 operating days. Council's goal is 90 days.

Fund Balance - Other Funds

All other fund reserves increased by about $172,000 during the fiscal year to just over $33.7 million.

PROSPECT FOR THE FUTURE

The Colony's prospects for the future are promising and very optimistic. Most recent economic drivers are:

The Nebraska Furniture Mart TIRZ was established November 2011 for a 433 acre $1.5 billion Grandscape development. The Nebraska Furniture Mart store, the anchor store of the development, opened in early March 2015. The site has remained viable, and revenue producing even through the pandemic and has seen numerous new stores open in the past year, to include entertainment, dining, and retail offerings on the site.

In June 2020, Scheels opened the largest sporting goods store in the World offering 85 specialty shops. Numerous restaurants and a hotel have also located in the Zone. On the north side of SH121, in The Colony and across from Grandscape, Rooms To Go, Mattress Firm, and Floor and Decor have opened. Other new commercial development on the north side of SH121 in the City include Topgolf, numerous hotels, a medical office building, couple of shopping centers, and several restaurants and other businesses. Business activity has brought numerous jobs to the City. The Nebraska Furniture Mart store itself employs around 1,800 people.

The Tribute, the only remaining sizeable residential development in the City, continues to increase the number of buildable lots. Housing permits have remained strong for the past couple of years and are expected to do so for the next several years.

FINANCIAL MANAGEMENT

The Colony continues to evaluate operating activity to help ensure services are provided as efficiently as possible. Service levels are reviewed in conjunction with revenues, expenses, and reserves to help ensure the best possible use is made of available resources.

Long-term Financial Planning

The budget process provides a road map for short-term and long-term needs and aids in the allocation of limited resources to prioritized services and needs. Each year a Capital Improvement Program is developed which helps gauge future funding priorities and is the foundation on which annual budgets are built. Revenues, expenses, and capital needs are projected for each of the five following years to identify service needs and financing available. Staff helps Council with the challenge of prioritizing and providing efficient and effective services to the community with current and future available funds.

As a combined effort, the City Manager's Office, Finance Director, and all departments monitor revenues and expenditures throughout the year. Appropriate actions are taken to control expenditures, and to make adjustments when revenues fall short of expectations.

Relevant Financial Policies

The City has strong financial management policies that provide the basis for the City's financial operations.

The City's goal is to always maintain at 80 operating days in unassigned fund balance for the general fund, and 60 operating days in water and sewer unrestricted net positions.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of The Colony; Texas, for its annual comprehensive financial report for the fiscal year ended September 30, 2022. (This was the 32nd consecutive year that The Colony has achieved this prestigious award.)

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA' s Distinguished Budget Presentation Award for its annual budget document for the year beginning October 1**,** 2022. The City has received the award annually since the budget year beginning on October 1, 1993. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operation guide, and a communications device.

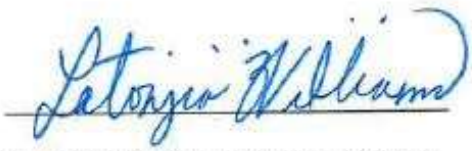
ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would also like to thank the Mayor and City Council for their interest and leadership in planning and conducting the financial operations of the City of The Colony in a responsible and progressive manner.

Respectfully submitted,

Troy Powell, City Manager

Tim Miller, Assistant City Manager



Latonjia Williams, Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of The Colony
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

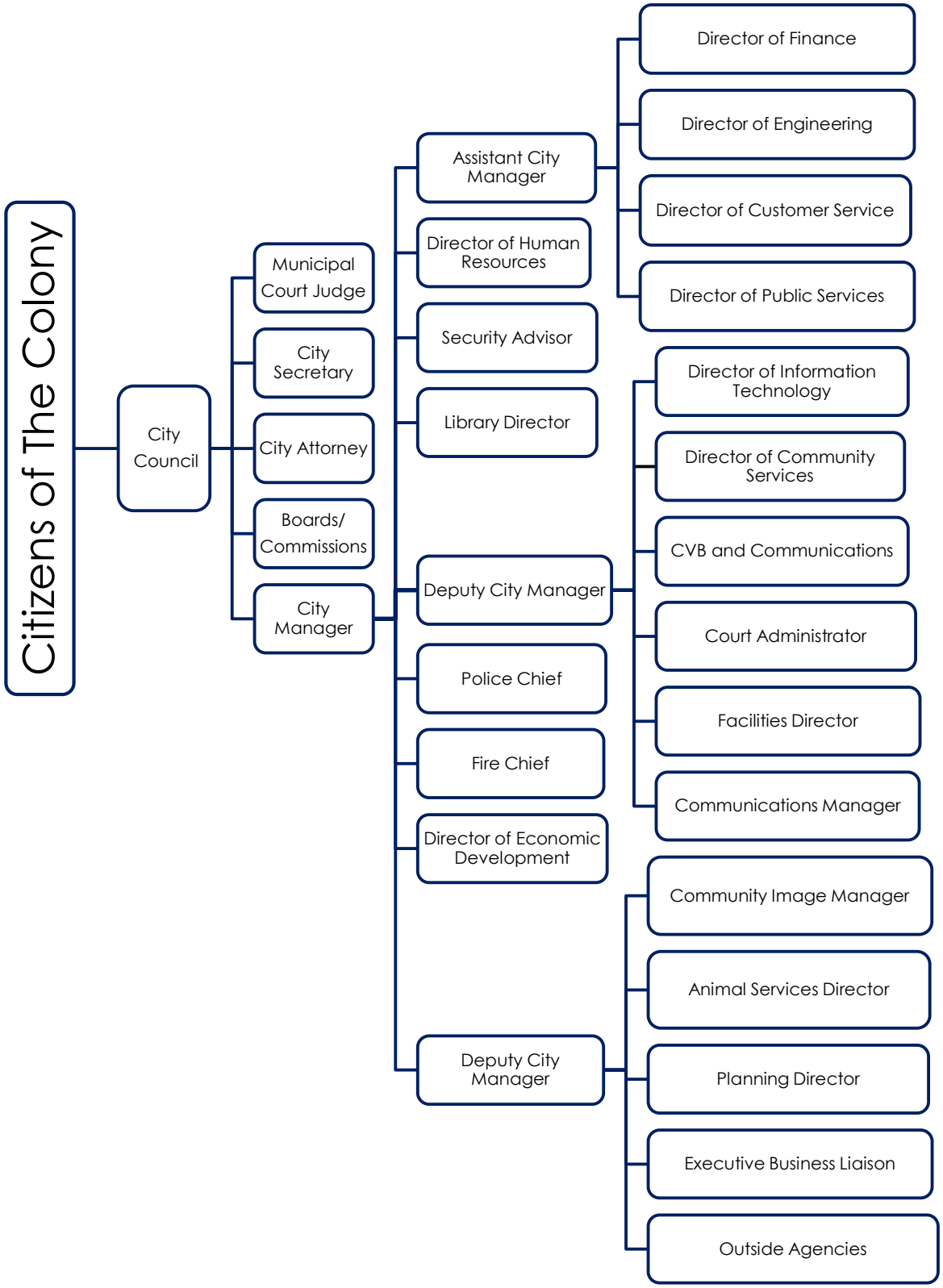
Christopher P. Morrill

Executive Director/CEO

CITY OF THE COLONY, TEXAS

ORGANIZATIONAL CHART

SEPTEMBER 30, 2023



CITY OF THE COLONY, TEXAS

CITY STAFF

SEPTEMBER 30, 2023

City Staff

City Manager's Office	Troy Powell, City Manager
City Manager's Office	Tim Miller, Assistant City Manager
City Manager's Office	Joe Perez, Deputy City Manager
City Manager's Office	Brant Shallenburger, Deputy City Manager
City Secretary's Office	Tina Stewart, City Secretary
Information Technology	Chris Cuellar, Director
Human Resources	Rodney Walican, Director
Finance	Latonjia Williams, Director
Public Services	James Whitt, Director
Engineering	Ron Hartline, Director
Fire	Scott Thompson, Chief
Police	David Coulon, Chief
Municipal Court	Jacob Wetzel, Court Administrator
Parks and Recreation/ Community Development	Jackie Kopsa, Director of Community Services
Economic Development	Keri Samford, Director
Library	Megan Charters, Director
Utility Administration/ Customer Services	Molly Owczar, Director

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FINANCIAL SECTION

THE
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Independent Auditor's Report

To the Honorable Mayor,
City Council, and City Manager
City of the Colony, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of The Colony, Texas (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Honorable Mayor,
City Council, and City Manager
City of the Colony, Texas

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion, budgetary comparison information, and the TMRS and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor,
City Council, and City Manager
City of the Colony, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, such as the combining and individual fund financial statements and schedules, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 28, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

THE
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City by the Lake

CITY OF THE COLONY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The City of The Colony, Texas (the City) is providing this narrative overview and analysis of its financial activities for the fiscal year ended September 30, 2023. This Management's Discussion and Analysis (MD&A) provides additional information that was not contained in the Letter of Transmittal. Readers are advised to read both to gain understanding of the financial picture of the City. This discussion and analysis includes prior year data for comparison purposes.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded the City's total liabilities and deferred inflows of resources at the close of the fiscal year by $373,162,503. Of this amount $40,474,707 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by $23,831,820 which was primarily due to an increase of general fund operations.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $75,023,013, an increase in fund balance of $11,369,944. The capital projects fund had a decrease in fund balance of $3,178,331 primarily due to an increase in capital outlay.
- Out of the $75,023,013 of fund balances in the governmental funds, $37,893,987 is available for spending at the government's discretion (unassigned fund balance) or 73.16% of total general fund expenditures.

Overview of the Financial Statements

The MD&A serves as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

The report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as incurred regardless of when cash is received or paid. Thus, revenues and expenses are reported on accrual basis even though cash flows occur in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, sanitation, and culture and recreation. The business-type activities of the City include water and sewerage operation.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation, legally separate community development corporation, and a legally separate local development corporation, for which the City of The Colony is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

- Governmental Activities – Most of the City's basic services are reported as governmental activities, including the general government, public safety, municipal court, public works, culture and recreation, planning and zoning, public improvements, and code enforcement. Taxes and intergovernmental revenues principally support these services.
- Business-type Activities – Functions that are intended to recover all or a significant portion of their costs through user fees and charges are considered business-type activities. The business-type activities of the City include Water and Sewer Utility.
- Component Units – The City includes three separate legal entities, The Colony Economic Development Corporation, The Colony Community Development Corporation, and The Colony Local Development Corporation in its report. Although they are legally separate, they are included as component units because the City is accountable for them. Financial information for these component units is reported separately from the financial information presented for the primary government.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the City can be divided into two categories:

1. **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

   Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

   The City maintains 19 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, the Capital Projects Fund, and the Pandemic Response Fund all of which are considered to be major funds. Non-major governmental funds are aggregated in total.

   The City adopts annual appropriated budgets for its General Fund, Debt Service Fund, Lake Parks Fund, Special Events Fund, Hotel/Motel Taxes Fund, Child Safety Fund, and Storm Water Utility Fund. The budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budgets.

2. **Proprietary funds** – Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operation. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The water and sewer utility fund is considered to be a major fund of the City.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. This MD&A is part of the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of the close of the current fiscal year, the City's net position totaled $373,162,503.

The largest portion of the City's net position (83%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot generate revenues to liquidate these liabilities.

An additional portion of the City's net position (6%) represents resources that are subject to external restrictions on how they may be used (primarily for debt service and infrastructure improvements). The remaining balance of net position ($40,474,707) may be used to meet the government's ongoing obligations to citizens and creditors.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 100,624,146	$ 86,020,064	$ 27,492,389	$ 27,777,283	$ 128,116,535	$ 113,797,347
Capital assets	260,765,814	253,971,749	155,503,783	158,084,014	416,269,597	412,055,763
Total assets	361,389,960	339,991,813	182,996,172	185,861,297	544,386,132	525,853,110
Deferred outflows of resources	10,859,646	4,427,330	1,711,637	977,422	12,571,283	5,404,752
Long-term liabilities outstanding	91,087,568	81,612,377	63,777,422	68,137,541	154,864,990	149,749,918
Other liabilities	19,841,491	17,786,902	2,903,526	2,863,047	22,745,017	20,649,949
Total liabilities	110,929,059	99,399,279	66,680,948	71,000,588	177,610,007	170,399,867
Deferred inflows of resources	6,123,906	10,686,813	60,999	840,499	6,184,905	11,527,312
Net position:						
Net investment in capital assets	202,563,554	204,399,731	105,490,614	105,648,298	308,054,168	310,048,029
Restricted	23,681,524	14,669,601	952,104	1,358,869	24,633,628	16,028,470
Unrestricted	28,951,563	15,263,719	11,523,144	7,990,465	40,474,707	23,254,184
Total net position	$ 255,196,641	$ 234,333,051	$ 117,965,862	$ 114,997,632	$ 373,162,503	$ 349,330,683

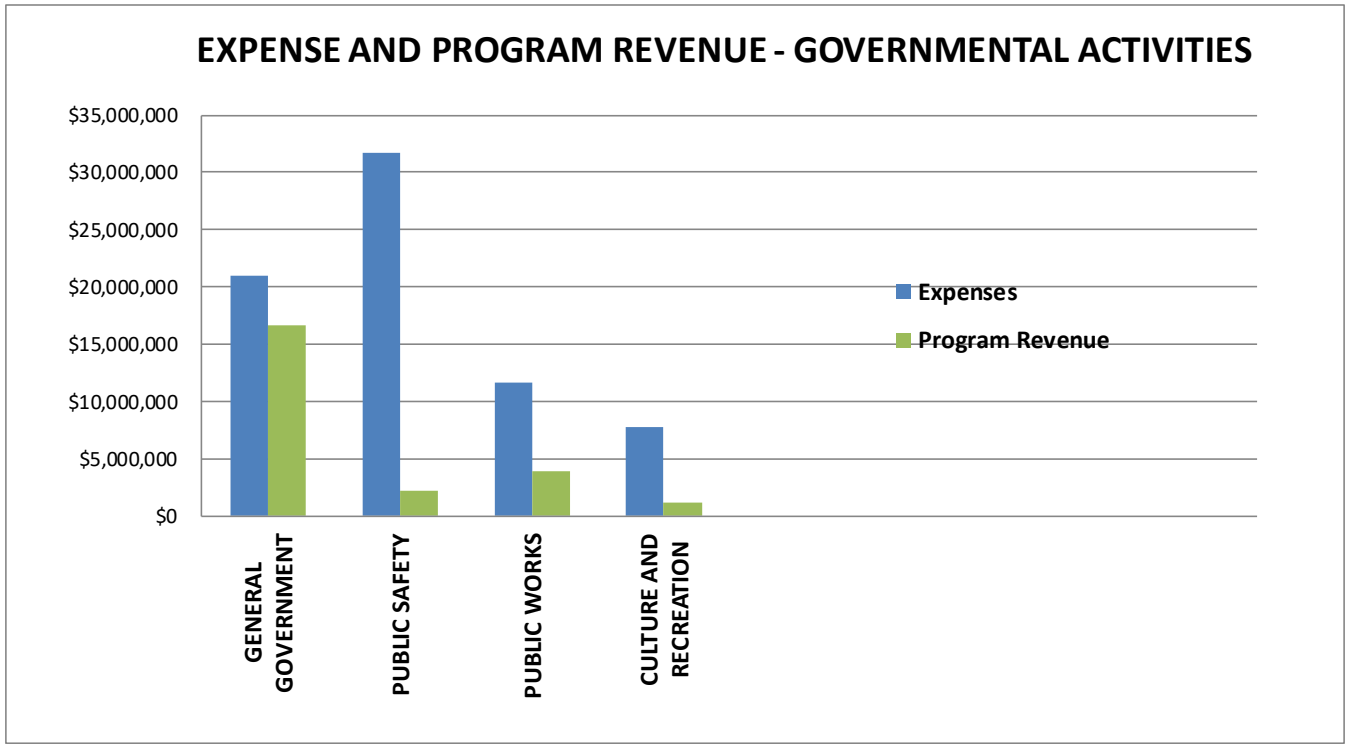
At the end of the current fiscal year, the City has positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities.

The City's net position increased by $23,831,820. Total assets increased by $18,533,022. Capital assets increased by $4,213,834, while current and other assets increased by $14,319,188.

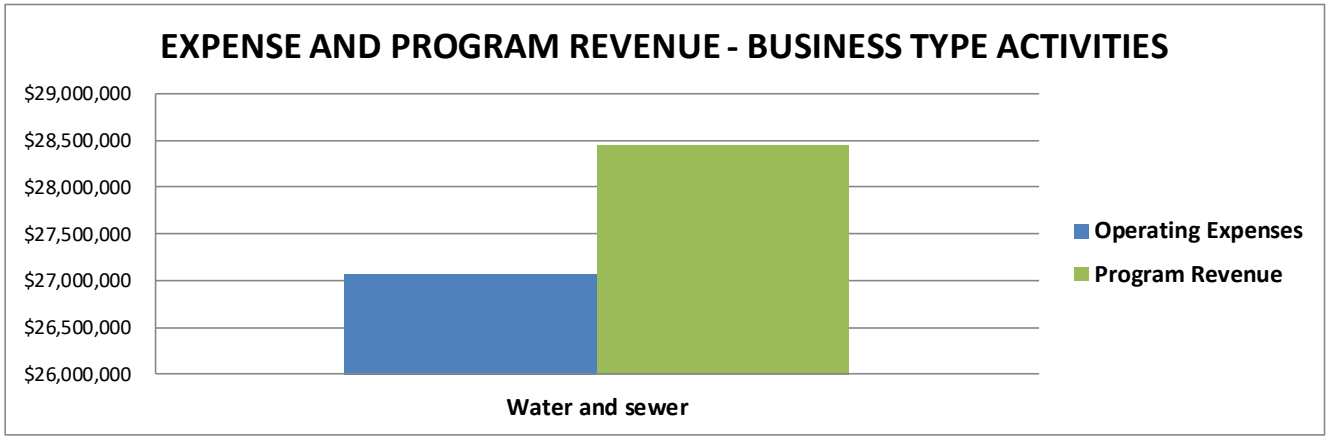
Change in Net Position

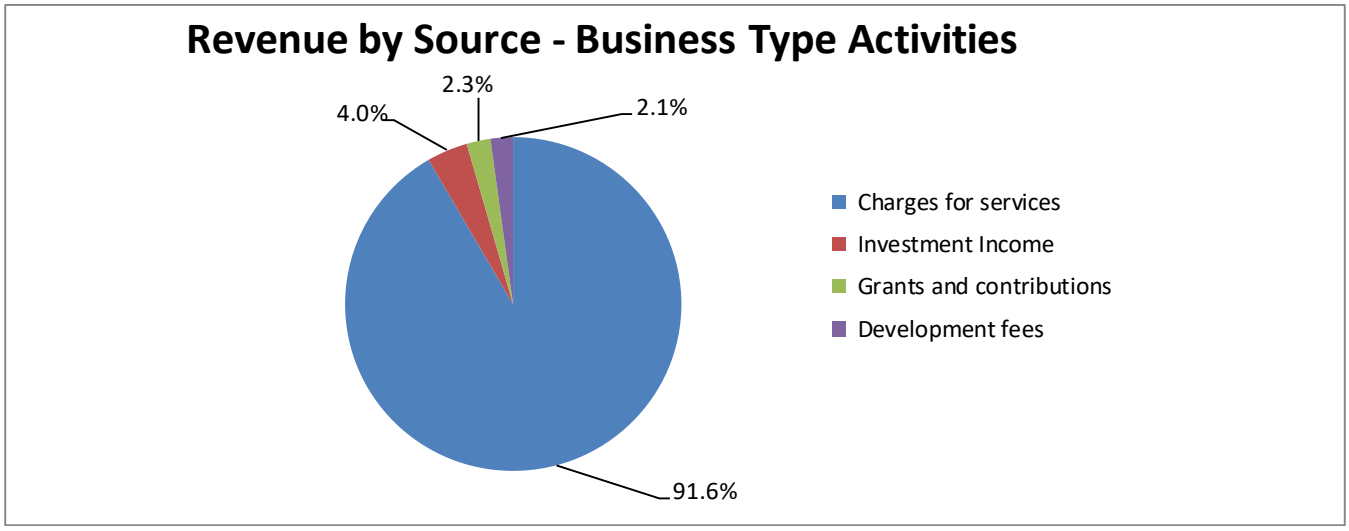
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 8,474,524	$ 8,585,665	$ 27,426,435	$ 25,610,329	$ 35,900,959	$ 34,195,994
Operating grants and contributions	894,411	723,463	-	-	894,411	723,463
Capital grants and contributions	14,545,732	4,821,561	1,025,239	2,929,119	15,570,971	7,750,680
General revenues:						
Property taxes	43,837,943	38,701,240	-	-	43,837,943	38,701,240
Sales taxes	11,812,142	11,426,569	-	-	11,812,142	11,426,569
Franchise taxes	2,911,718	2,873,419	-	-	2,911,718	2,873,419
Other taxes	2,509,501	2,044,200	-	-	2,509,501	2,044,200
Interest	4,202,359	456,215	1,183,203	262,050	5,385,562	718,265
Miscellaneous	5,666,513	5,196,325	306,118	-	5,972,631	5,196,325
Total revenues	94,854,843	74,828,657	29,940,995	28,801,498	124,795,838	103,630,155
Expenses:						
General government	21,031,863	15,353,052	-	-	21,031,863	15,353,052
Public safety	31,659,259	26,743,262	-	-	31,659,259	26,743,262
Public works	11,679,662	11,016,099	-	-	11,679,662	11,016,099
Culture and recreation	7,786,848	7,391,239	-	-	7,786,848	7,391,239
Interest on long-term debt	1,733,621	3,087,504	-	-	1,733,621	3,087,504
Water and sewer	-	-	27,072,765	26,625,071	27,072,765	26,625,071
Total expenses	73,891,253	63,591,156	27,072,765	26,625,071	100,964,018	90,216,227
Increase (decrease) in net position before transfers	20,963,590	11,237,501	2,868,230	2,176,427	23,831,820	13,413,928
Transfers	(100,000)	(100,000)	100,000	100,000	-	-
Increase (decrease) in net position	20,863,590	11,137,501	2,968,230	2,276,427	23,831,820	13,413,928
Beginning net position (October 1)	234,333,051	223,195,550	114,997,632	112,721,205	349,330,683	335,916,755
Ending net position (September 30)	$ 255,196,641	$ 234,333,051	$ 117,965,862	$ 114,997,632	$ 373,162,503	$ 349,330,683

Governmental Activities - Governmental activities increased the City's net position by $20,863,590 compared to the prior year primarily due to a $5,136,703 increase in property tax revenue and a $3,746,144 increase in investment income.



Business-type Activities - Business-type activities increased the City's net position by $2,968,230. The overall increase in net position is primarily due to an increase operating income of $691,803, as operating revenues increased by $1,139,497.





Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $75,023,013 an increase of $11,369,944 in comparison with the prior year. Approximately 50.51% of this total amount ($37,893,987) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it has already been committed, restricted, or is nonspendable for:

1. Capital projects ($20,101,088) including infrastructure projects to be funded with intergovernmental revenues,
2. Debt service ($5,593,826),
3. Development of the community ($804,345) including restrictions for the City's PID No. 1,
4. Storm drainage maintenance projects ($2,274,807),
5. To encourage tourism in the City ($2,022,557),
6. Various purposes ($3,995,193) including special events, community beautification, court technology, support for police, and child safety,
7. Committed for maintenance and enhancement projects for parks ($2,152,265),
8. Nonspendable inventory and prepaid items ($184,945).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $37,893,987. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 73.16% of total general fund expenditures (excluding transfers to other funds).

The fund balance of the City's General Fund increased by $11,197,898 during the current fiscal year due to an excess of revenues over expenditures of $12,685,156; primarily due to a $5.1 million increase in property taxes, the result of increased assessed valuation of property and a $3.8 million increase in investment income, the result of higher interest rates during the year .

The Debt Service Fund has a total fund balance of $5,593,826, all of which is restricted for the payment of debt service. The increase in fund balance during the current year in the Debt Service Fund was $177,790, the result of the increased assessed valuation of property mentioned above. The City has a dedicated property tax for general debt service. The property tax produced debt service fund revenues of $7,740,958 in the current fiscal year while debt service payments for principal and interest on debt were $7,563,168.

The Capital Projects Fund has a total fund balance of $20,101,088, with majority of fund balance as restricted for future expenditures of currently-approved capital items. The $3,178,331 decrease in fund balance during the year was attributable an increase in capital outlay.

The Pandemic Response Fund has a total fund balance of $72, which is restricted grant funding. There was no change in the fund balance during the year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the governmental-wide financial statements, but in more detail. Operating revenues in the water and sewer fund totaled $27,426,435, an increase of $1,816,106 from the prior year due to an increase in water consumption. Operating expenses totaled $24,998,304, an increase of $564,635 driven by a decrease in maintenance costs.

General Fund Budgetary Highlights

During the year, there was a slight increase in appropriations of $2,802,450 between the original and final budget. Overall, revenues had a $10,455,390 positive variance primarily due to receiving more sales tax revenue and investment income due to the effects of higher interest rates during fiscal year. There was a favorable variance of $220,475 between final budget and actual expenditures which was primarily due to cost savings experienced in several departments.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $416,269,597 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and system, water and sewer system infrastructure improvements, machinery and equipment, park facilities, and roads. The City's overall investment in capital assets for the current fiscal year equaled $20,348,536 for governmental and business-type activities with depreciation expense of $16,495,621 being consistent with the capital asset additions.

Major capital asset events during the current fiscal year included the following:

- Developer contributions for the City's infrastructure of $2.2 million.
- Construction in progress additions of $3.3 million for development of streets.
- Fire Station #5 Building project of $2.8 million.

Capital Assets
(Net of Depreciation and Amortization)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Capital Assets Being Depreciated/Amortized:						
Water systems	$ -	$ -	$ 61,943,625	$ 63,686,694	$ 61,943,625	$ 63,686,694
Sanitary sewer systems	-	-	78,473,782	80,871,183	78,473,782	80,871,183
Drainage system	-	-	26,513	28,754	26,513	28,754
Buildings	31,813,430	25,330,524	123,136	130,479	31,936,566	25,461,003
Improvements other than buildings	13,575,973	14,149,925	-	-	13,575,973	14,149,925
Aquatic Park	717,299	788,003	-	-	717,299	788,003
Machinery and equipment	9,194,997	6,267,442	1,149,980	1,428,827	10,344,977	7,696,269
Infrastructure	168,604,404	166,515,693	6,941,257	7,284,697	175,545,661	173,800,390
Subscription assets	265,288	-	-	-	265,288	-
Right-to-use assets	852,827	1,059,233	-	-	852,827	1,059,233
	$225,024,218	$ 214,110,820	$ 148,658,293	$ 153,430,634	$ 373,682,511	$ 367,541,454
Capital Assets Not Being Depreciated:						
Land and land improvements	$ 4,510,684	$ 4,510,684	$ 3,273,473	$ 3,273,472	$ 7,784,157	$ 7,784,156
Right-of-ways	25,571,036	25,571,036	-	-	25,571,036	25,571,036
Construction in progress	5,659,876	9,779,209	3,572,017	1,379,907	9,231,893	11,159,116
	$ 35,741,596	$ 39,860,929	$ 6,845,490	$ 4,653,379	$ 42,587,086	$ 44,514,308

Additional information on the City's capital assets can be found in Note 4 on pages 66-68 to the basic financial statements.

Outstanding Debt

	Government Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	$ 8,349,797	$ 10,288,768	$ 7,860,203	$ 10,921,232	$ 16,210,000	$ 21,210,000
Certificates of Obligation	52,291,100	55,142,250	48,538,900	51,212,750	100,830,000	106,355,000
Lease Payables	859,803	1,053,988	-	-	859,803	1,053,988.00
Subscription Payables	273,857	-	-	-	273,857	-
Financed Purchases	240,192	472,961	-	-	240,192	472,961
	$ 62,014,749	$ 66,957,967	$ 56,399,103	$ 62,133,982	$ 118,413,852	$ 129,091,949

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $117,040,000. The entire amount represents debt backed by the full faith and credit of the City. The City also had leases payable of $859,803, subscription payables of $273,857, and financed purchase liabilities of $240,192 at fiscal year-end.

The City's total long-term liabilities from bonded debt, leases, subscription payables, and financed purchases increased by $360,919 during the current fiscal year. The City made debt principal payments of $10,637,165 and did not issue any new debt during the fiscal year.

Additional information on the City's long-term debt can be found in Note 5 on pages 69-76 to the basic financial statements.

The City's general and revenue obligations maintain an AA+ rating, respectively, from Standard & Poor's and an Aa2 rating respectively from Moody's Investors Service. The high rating speaks well of the City's proactive approach to economic development and financial management.

The revenue supported debt in the Water and Sewer Fund is limited to the net revenues equal to at least 1.10 times the maximum annual principal and interest requirements and 1.25 times the average annual principal and interest requirements of all parity bonds to be outstanding.

Economic Factors and Next Year's Budgets and Rates

- Total current Ad Valorem Taxes budgeted for fiscal year 2024 are $45,172,733 which is a $4.7 million increase from the prior year. This is due mostly to an increase in the City's residential tax base of about $847 million, offset by a reduction in the tax rate from 65.00 to 64.50 cents per $100 dollars of valuation.
- Total sales tax is projected to remain strong due to continued economic growth from commercial construction.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, The City of The Colony, 6053 Main Street, The Colony, Texas, 75056.

BASIC FINANCIAL STATEMENTS

THE
COLONY
City by the Lake

GOVERNMENT – WIDE FINANCIAL STATEMENTS

THE
COLONY
City by the Lake

EXHIBIT 1

CITY OF THE COLONY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash and cash equivalents	$ 88,487,251	$ 20,970,586	$ 109,457,837	$ 31,684,714
Receivables (net of allowance for uncollectibles)	11,951,950	3,608,415	15,560,365	4,029,040
Inventories	150,963	80,956	231,919	-
Prepaid expenses	33,982	1,236	35,218	3,570,965
Restricted:				
Cash and cash equivalents	-	2,831,196	2,831,196	29,251,807
Capital assets:				
Non-depreciable	35,741,596	6,845,490	42,587,086	28,968,824
Depreciable (net of depreciation)	223,906,103	148,658,293	372,564,396	180,103
Right-to-use assets (net of amortization)	1,118,115	-	1,118,115	-
TOTAL ASSETS	361,389,960	182,996,172	544,386,132	97,685,453
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	124,043	280,149	404,192	331,972
Deferred outflows - OPEB	233,950	31,902	265,852	-
Deferred outflows - pensions	10,501,653	1,399,586	11,901,239	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,859,646	1,711,637	12,571,283	331,972
LIABILITIES				
Accounts payable and accrued liabilities	7,730,993	699,069	8,430,062	2,782,500
Accrued interest payable	335,615	-	335,615	5,239,940
Retainage payable	295,464	-	295,464	-
Unearned revenue	11,479,419	-	11,479,419	-
Payable from restricted assets:				
Accounts payable and accrued liabilities	-	948,665	948,665	-
Accrued interest payable	-	324,808	324,808	-
Customer meter deposits	-	930,984	930,984	-
Non-current liabilities:				
Due within one year	9,866,911	6,418,951	16,285,862	4,670,576
Due in more than one year	81,220,657	57,358,471	138,579,128	188,078,008
TOTAL LIABILITIES	110,929,059	66,680,948	177,610,007	200,771,024
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows- leases	5,676,579	-	5,676,579	-
Deferred inflows - OPEB	447,327	60,999	508,326	-
TOTAL DEFERRED INFLOWS OF RESOURCES	6,123,906	60,999	6,184,905	-
NET POSITION (DEFICIT)				
Net investment in capital assets	202,563,554	105,490,614	308,054,168	(137,395,582)
Restricted for:				
Debt service	5,296,697	-	5,296,697	-
Government funded construction contracts	9,287,925	952,104	10,240,029	-
Other	9,096,902	-	9,096,902	-
Unrestricted	28,951,563	11,523,144	40,474,707	34,641,983
TOTAL NET POSITION (DEFICIT)	$ 255,196,641	$ 117,965,862	$ 373,162,503	$ (102,753,599)

The Notes to Financial Statements are an integral part of this statement.

CITY OF THE COLONY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities:				
General government	$ 21,031,863	$ 3,170,909	$ 840,572	$ 12,619,544
Public safety	31,659,259	2,153,663	53,839	-
Public works	11,679,662	2,030,194	-	1,926,188
Culture and recreation	7,786,848	1,119,758	-	-
Interest on long-term debt	1,733,621	-	-	-
Total governmental activities	73,891,253	8,474,524	894,411	14,545,732
Business-type Activities:				
Water and sewer	27,072,765	27,426,435	-	1,025,239
Total business-type activities	27,072,765	27,426,435	-	1,025,239
TOTAL PRIMARY GOVERNMENT	$ 100,964,018	$ 35,900,959	$ 894,411	$ 15,570,971
COMPONENT UNITS:				
The Colony Economic Development Corporation	$ 8,207,661	$ -	$ -	$ -
The Colony Community Development Corporation	14,768,192	-	-	-
The Colony Local Development Corporation	6,515,833	-	281,800	-
TOTAL COMPONENT UNITS	$ 29,491,686	$ -	$ 281,800	$ -

General Revenues and Transfers:
- Taxes:
  - Property taxes, levied for general purposes
  - Sales taxes
  - Franchise taxes
  - Hotel/motel taxes
  - Penalties and interest
- Interest on investments
- Miscellaneous

Transfers

Total general revenues and transfers

CHANGE IN NET POSITION

NET POSITION (DEFICIT), beginning of year

NET POSITION (DEFICIT), end of year

The Notes to Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business - Type Activities	Total	Component Units
$ (4,400,838)	$ -	$ (4,400,838)	$ -
(29,451,757)	-	(29,451,757)	-
(7,723,280)	-	(7,723,280)	-
(6,667,090)	-	(6,667,090)	-
(1,733,621)	-	(1,733,621)	-
(49,976,586)	-	(49,976,586)	-
-	1,378,909	1,378,909	-
-	1,378,909	1,378,909	-
$ (49,976,586)	$ 1,378,909	$ (48,597,677)	$ -
$ -	$ -	$ -	$ (8,207,661)
-	-	-	(14,768,192)
-	-	-	(6,234,033)
$ -	$ -	$ -	$ (29,209,886)
$ 43,837,943	$ -	$ 43,837,943	$ -
11,812,142	-	11,812,142	29,261,074
2,911,718	-	2,911,718	-
2,356,975	-	2,356,975	-
152,526	-	152,526	-
4,202,359	1,183,203	5,385,562	1,622,813
5,666,513	306,118	5,972,631	19,750
(100,000)	100,000	-	-
70,840,176	1,589,321	72,429,497	30,903,637
20,863,590	2,968,230	23,831,820	1,693,751
234,333,051	114,997,632	349,330,683	(104,447,350)
$ 255,196,641	$ 117,965,862	$ 373,162,503	$ (102,753,599)

THE
COLONY
City by the Lake

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

EXHIBIT 3

CITY OF THE COLONY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	PANDEMIC RESPONSE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	$ 43,737,972	$ 5,592,158	$ 21,969,763	$ 8,592,594	$ 8,594,764	$ 88,487,251
Receivables, net of allowances for uncollectibles:						
Ad valorem taxes	378,802	40,604	-	-	-	419,406
Service accounts receivable	269,681	-	-	-	-	269,681
Franchise taxes	592,599	-	-	-	-	592,599
Sales taxes	4,029,041	-	-	-	-	4,029,041
Other	4,995,521	-	-	-	1,645,702	6,641,223
Due from other funds	13,102	-	-	-	-	13,102
Prepaid	33,166	-	-	-	816	33,982
Inventory	150,963	-	-	-	-	150,963
TOTAL ASSETS	$ 54,200,847	$ 5,632,762	$ 21,969,763	$ 8,592,594	$ 10,241,282	$ 100,637,248
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	$ 5,311,295	$ 450	$ 1,573,211	$ -	846,037	$ 7,730,993
Retainage payable	-	-	295,464	-	-	295,464
Due to other funds	-	-	-	-	13,102	13,102
Unearned revenue	2,886,897	-	-	8,592,522	-	11,479,419
TOTAL LIABILITIES	8,198,192	450	1,868,675	8,592,522	859,139	19,518,978
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources- leases	4,306,099	-	-	-	1,370,480	5,676,579
Unavailable resources - property taxes	338,382	38,486	-	-	-	376,868
Unavailable resources - other	41,810	-	-	-	-	41,810
TOTAL DEFERRED INFLOWS OF RESOURCES	4,686,291	38,486	-	-	1,370,480	6,095,257
FUND BALANCES						
Nonspendable	184,129	-	-	-	816	184,945
Restricted:						
Capital projects	-	-	20,101,088	-	-	20,101,088
Debt service	-	5,593,826	-	-	-	5,593,826
Other	3,238,248	-	-	72	5,858,582	9,096,902
Committed	-	-	-	-	2,152,265	2,152,265
Unassigned	37,893,987	-	-	-	-	37,893,987
TOTAL FUND BALANCES	41,316,364	5,593,826	20,101,088	72	8,011,663	75,023,013
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 54,200,847	$ 5,632,762	$ 21,969,763	$ 8,592,594	$ 10,241,282	$ 100,637,248

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 4

CITY OF THE COLONY, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total fund balances - governmental funds	$	75,023,013
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation/amortization) used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		260,765,814
Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(335,615)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.		418,678
Deferred outflows of resources of $10,501,653 related to the City's net pension liability increase net position in the government-wide financial statements, while deferred inflows ($0) reduce it. This amount is the net effect.		10,501,653
Deferred outflows of resources of $233,950 related to the City's total OPEB liability increase net position in the government-wide financial statements, while deferred inflows ($477,327) reduce it. This amount is the net effect.		(213,377)
Deferred charges on refunding of long-term debt are reported as deferred outflows of resources in the government-wide financial statements, but are not reported in the governmental funds.		124,043
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. Long-term liabilities at year end consist of:		
Bonds payable		(60,640,897)
Net pension liability		(18,150,049)
Total OPEB liability		(808,305)
Financed purchase payable		(240,192)
Lease payable		(859,803)
Subscription payable		(273,857)
Premium on issuance of debt		(5,438,485)
Compensated absences		(4,675,980)
Net position of governmental activities	$	255,196,641

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 5

CITY OF THE COLONY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	PANDEMIC RESPONSE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Ad valorem taxes, penalties and interest	$ 36,816,240	$ 7,183,566	$ -	$ -	$ -	$ 43,999,806
Franchise taxes	2,911,718	-	-	-	-	2,911,718
Municipal sales tax	11,812,142	-	-	-	-	11,812,142
Licenses and permits	1,933,144	-	-	-	1,787,939	3,721,083
Charges for services	2,141,478	-	-	-	1,304,422	3,445,900
Fines and forfeitures	842,719	-	-	-	151,394	994,113
Grants	840,320	-	-	-	53,839	894,159
Gifts and contributions	298,797	-	280,105	-	123,718	702,620
Hotel / Motel taxes	-	-	-	-	2,356,975	2,356,975
Intergovernmental	1,753,827	-	10,862,650	-	-	12,616,477
Investment income	3,541,956	557,392	-	-	103,011	4,202,359
Miscellaneous	1,590,845	-	3,888,603	-	187,065	5,666,513
Total revenues	64,483,186	7,740,958	15,031,358	-	6,068,363	93,323,865
EXPENDITURES						
Current						
General government	12,500,229	-	91,863	-	1,113,307	13,705,399
Public safety	29,455,704	-	129,710	-	114,866	29,700,280
Public works	4,142,101	-	3,903,324	-	66,442	8,111,867
Cultural and recreation	4,625,391	-	-	-	2,213,934	6,839,325
Capital outlay	644,759	-	14,311,837	-	893,359	15,849,955
Debt service:						
Principal retirement	394,524	4,894,613	-	-	15,000	5,304,137
Interest and fiscal charges	35,322	2,668,555	-	-	-	2,703,877
Total expenditures	51,798,030	7,563,168	18,436,734	-	4,416,908	82,214,840
Excess (deficiency) of revenues over (under) expenditures	12,685,156	177,790	(3,405,376)	-	1,651,455	11,109,025
OTHER FINANCING SOURCES (USES)						
Issuance of debt - SBITAs	329,742	-	-	-	31,177	360,919
Transfers from other funds	95,000	-	227,045	-	2,189,572	2,511,617
Transfers to other funds	(1,912,000)	-	-	-	(699,617)	(2,611,617)
Total other financing sources (uses)	(1,487,258)	-	227,045	-	1,521,132	260,919
NET CHANGE IN FUND BALANCES	11,197,898	177,790	(3,178,331)	-	3,172,587	11,369,944
FUND BALANCES, BEGINNING OF YEAR	30,118,466	5,416,036	23,279,419	72	4,839,076	63,653,069
FUND BALANCES, END OF YEAR	$ 41,316,364	$ 5,593,826	$ 20,101,088	$ 72	$ 8,011,663	$ 75,023,013

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 6

CITY OF THE COLONY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds	$ 11,369,944
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets additions recorded in the current period as capital outlay.	15,966,348
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	1,522,617
Depreciation/amortization expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.	(10,694,901)
Current year changes in long term liability for compensated absences do not require the use of current financial resources; and, therefore, are not reported as expenditures in governmental funds.	(1,293,003)
Current year changes in accrued interest payable do not require the use of current financial resources; and, therefore, are not reported as expenditures in governmental funds.	3,856
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
o Bond principal and financed purchase payments	5,304,137
o Issuance of debt - SBITAs	(360,919)
o Amortization of deferred refunding amount	(43,985)
o Amortization of bond premium	586,924
Certain expenditures related to the net pension liability are required to be de-expended and recorded as deferred inflows and outflows of resources. This amount is the net effect of current year pension expense and contributions to the pension plan.	(1,481,703)
Certain expenditures related to the total OPEB liability are required to be de-expended and recorded as deferred inflows and outflows of resources. This amount is the net effect of current year OPEB expense and contributions to the OPEB plan.	(24,086)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This amount is the net change in these revenues for the year.	8,361
Change in Net Position of Governmental activities	$ 20,863,590

The Notes to Financial Statements are an integral part of this statement.

THE
COLONY
City by the Lake

PROPRIETARY FUNDS FINANCIAL STATEMENTS

CITY OF THE COLONY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	BUSINESS TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 20,970,586
Receivables, net of allowance for uncollectibles:	
Accounts	3,594,814
Other	13,601
Inventories	80,956
Prepaid expenses	1,236
Restricted cash and cash equivalents	2,831,196
Total current assets	27,492,389
NONCURRENT ASSETS	
CAPITAL ASSETS	
Land	3,273,473
Water system and sanitary sewer system	205,935,981
Drainage system	1,684,364
Buildings	724,161
Machinery and equipment	5,174,240
Infrastructure	16,947,047
Construction in progress	3,572,017
Total capital assets before accumulated depreciation	237,311,283
Less: accumulated depreciation	(81,807,500)
Capital assets, net of accumulated depreciation	155,503,783
Total assets	182,996,172
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pensions	1,399,586
Deferred outflows - OPEB	31,902
Deferred charge on refunding	280,149
Total deferred outflows of resources	1,711,637
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 184,707,809

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 7

	BUSINESS TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ 699,069
Accrued compensated absences due within one year	483,188
Payable from restricted assets:	
Accounts payable and accrued expenses	948,665
Revenue bonds payable	5,935,763
Accrued interest payable	324,808
Customer meter deposits	930,984
Total current liabilities	9,322,477
NON-CURRENT LIABILITIES	
Revenue bonds payable	54,823,728
Accrued compensated absences not due within one year	5,610
Total OPEB liability	110,223
Net pension liability	2,418,910
Total non-current liabilities	57,358,471
TOTAL LIABILITIES	66,680,948
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - OPEB	60,999
Deferred inflows of resources - pensions	-
Total deferred inflows of resources	60,999
NET POSITION	
Net Investment in capital assets	105,490,614
Restricted for:	
Construction	952,104
Unrestricted	11,523,144
TOTAL NET POSITION	117,965,862
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 184,707,809

EXHIBIT 8

CITY OF THE COLONY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUSINESS TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND
OPERATING REVENUES	
Charges for sales and services:	
Water service	$ 17,176,512
Wastewater treatment service	8,816,615
Other fees and penalties	1,254,298
Service charges	91,548
Miscellaneous	87,462
Total operating revenues	27,426,435
OPERATING EXPENSES	
Personnel services	5,816,161
Contractual services	1,808,286
Supplies	811,757
Maintenance	2,590,254
Water purchases	3,722,496
Overhead	4,448,630
Depreciation	5,800,720
Total operating expenses	24,998,304
OPERATING INCOME	2,428,131
NON-OPERATING REVENUES (EXPENSES)	
Investment income	1,183,203
Interest and fiscal charges	(2,074,461)
Total non-operating revenues (expenses)	(891,258)
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,536,873
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Capital contributions	682,004
Development fees	649,353
Transfers from other funds	100,000
Total capital contributions and transfers	1,431,357
CHANGE IN NET POSITION	2,968,230
NET POSITION, BEGINNING OF YEAR	114,997,632
NET POSITION, END OF YEAR	$ 117,965,862

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 9

CITY OF THE COLONY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUSINESS TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 26,771,655
Cash paid to employees for services	(5,525,002)
Cash paid for goods and services	(13,372,463)
Net cash provided by operating activities	7,874,190
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from other funds	100,000
Net cash provided by non-capital financing activities	100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on revenue bond maturities	(5,734,879)
Payments to bond escrow agent to refund debt	117,711
Cost of bond issuance	(3,456)
Grants and contributions	306,116
Interest and fiscal charges	(2,606,991)
Acquisition of capital assets	(2,844,601)
Development fees	649,353
Net cash used in capital and related financial activities	(10,116,747)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	1,183,203
Net cash provided by investing activities	1,183,203
NET DECREASE IN CASH AND CASH EQUIVALENTS	(959,354)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,761,136
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 23,801,782

The Notes to Financial Statements are an integral part of this statement.

CITY OF THE COLONY, TEXAS
STATEMENT OF CASH FLOWS – CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUSINESS TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 2,428,131
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	5,800,720
Pension expense	180,325
OPEB expense	3,334
Provision for bad debts	(16,424)
Change in assets and liabilities:	
Increase in accounts receivable	(655,165)
Increase in inventories	(2,871)
Increase in accounts payable and accrued liabilities	23,670
Increase in compensated absences	95,661
Increase in customer deposits	16,809
Total adjustments	5,446,059
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 7,874,190
NON-CASH FINANCING ACTIVITIES:	
Contributions of capital assets	$ 375,888

The Notes to Financial Statements are an integral part of this statement.

COMPONENT UNITS
FINANCIAL STATEMENTS

THE
COLONY
City by the Lake

CITY OF THE COLONY, TEXAS
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2023

	THE COLONY ECONOMIC DEVELOPMENT CORPORATION	THE COLONY COMMUNITY DEVELOPMENT CORPORATION	THE COLONY LOCAL DEVELOPMENT CORPORATION	TOTALS
ASSETS				
Cash and cash equivalents	$ 18,424,937	$ 7,432,429	$ 5,827,348	$ 31,684,714
Sales tax receivable	2,014,520	2,014,520	-	4,029,040
Prepaids	-	189	3,570,776	3,570,965
Restricted assets				
Cash and cash equivalents	8,594,320	8,594,016	12,063,471	29,251,807
Capital assets:				
Non-depreciable	6,646,913	-	22,321,911	28,968,824
Depreciable (net of accumulated depreciation)	180,103	-	-	180,103
TOTAL ASSETS	$ 35,860,793	$ 18,041,154	$ 43,783,506	$ 97,685,453
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	$ -	$ -	$ 331,972	$ 331,972
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	331,972	331,972
LIABILITIES AND NET POSITION				
Accounts payable	1,461,321	1,311,179	10,000	2,782,500
Accrued interest payable	1,013,868	993,763	3,232,309	5,239,940
Non-current liabilities:				
Due within one year	1,020,576	475,000	3,175,000	4,670,576
Due in more than one year	29,938,709	25,729,075	132,410,224	188,078,008
TOTAL LIABILITIES	$ 33,434,474	$ 28,509,017	$ 138,827,533	$ 200,771,024
NET POSITION (DEFICIT)				
Net investment in capital assets	$ (24,132,269)	$ -	$ (113,263,313)	$ (137,395,582)
Unrestricted	26,558,588	(10,467,863)	18,551,258	34,641,983
TOTAL NET POSITION (DEFICIT)	$ 2,426,319	$ (10,467,863)	$ (94,712,055)	$ (102,753,599)

The Notes to Financial Statements are an integral part of this statement.

CITY OF THE COLONY, TEXAS
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
COMPONENT UNITS:				
The Colony Economic Development Corporation	$ 8,207,661	$ -	$ -	$ -
The Colony Community Development Corporation	14,768,192	-	-	-
The Colony Local Development Corporation	6,515,833	-	281,800	-
TOTAL COMPONENT UNITS	$ 29,491,686	$ -	$ 281,800	$ -

General revenues:
Taxes:
Sales taxes
Interest on investments
Miscellaneous

Total general revenue

CHANGE IN NET POSITION (DEFICIT)

NET POSITION (DEFICIT), Beginning of Year

NET POSITION (DEFICIT), End of Year

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT 11

Net (Expense) Revenue and Changes in Net Position			
COMPONENT UNITS			
The Colony Econ. Dev. Corporation	The Colony Comm. Dev. Corporation	The Colony Local Dev. Corporation	TOTAL
$ (8,207,661)	$ -	$ -	$ (8,207,661)
-	(14,768,192)	-	(14,768,192)
-	-	(6,234,033)	(6,234,033)
$ (8,207,661)	$ (14,768,192)	$ (6,234,033)	$ (29,209,886)
$ 10,056,988	$ 10,056,988	$ 9,147,098	$ 29,261,074
789,786	607,292	225,735	1,622,813
19,750	-	-	19,750
10,866,524	10,664,280	9,372,833	30,903,637
2,658,863	(4,103,912)	3,138,800	1,693,751
(232,544)	(6,363,951)	(97,850,855)	(104,447,350)
$ 2,426,319	$ (10,467,863)	$ (94,712,055)	$ (102,753,599)

THE
COLONY
City by the Lake

NOTES TO BASIC FINANCIAL STATEMENTS

THE
COLONY
City by the Lake

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The City of The Colony (the City), originally incorporated in 1977, is a municipal corporation incorporated under Article XI of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures and expenses. Actual results could vary from the estimates that are used. The significant accounting policies of the City are described below.

Financial Reporting Entity

The City is governed by an elected mayor and a six-member council and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial information of the following component units have been “discretely presented” in the accompanying report because (i) their governing boards are not substantially the same as the governing body of the City, or (ii) the component unit provides services entirely or almost entirely to the citizenry and not the City:

The Colony Economic Development Corporation (TCEDC) - Organized exclusively for the public purposes of the promotion and development of new and expanded business enterprises to provide and encourage employment in the furtherance of public welfare.

The Colony Community Development Corporation (TCCDC) - Responsible for promoting economic development within the City and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing and financing projects under the Development Corporation Act of 1979. This includes the construction, renovation and operation of municipal buildings, the acquisition and improvement of parks as well as the promotion and expansion of manufacturing and industrial facilities, and other economic development purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity – Continued

The Colony Local Development Corporation (TCLDC) – Established as the primary governing body for funding Tax Increment Reinvestment Zone (TIRZ) Number One public infrastructure. Surrounding these activities are performance agreements between the TCLDC and the developer, NMF Services, which commenced November 2011 and will terminate on the 75th anniversary of the date in which the City collects its first sales tax dollar from the respective facility.

A majority of the members of the TCEDC's, TCCDC's, and TCLDC's Boards of Directors are appointed by the City Council. The TCEDC, TCCDC, and TCLDC are each fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. However, the component units do not qualify for blending because the component units' services directly benefit the community rather than the City itself. The TCEDC and TCCDC do not issue separate financial statements and TCLDC does issue separate financial statements which are available through the City's Finance Department. TCEDC, TCCDC, and TCLDC are presented as governmental fund types within these financial statements.

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation for the governmental-wide statement of activities.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column in the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The City has presented the following major governmental funds:

General Fund –

The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund –

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted to signify the amounts that are exclusively for debt service expenditures.

Capital Projects Fund –

The Capital Projects Fund is used to account for the acquisition and construction of capital assets financed primarily through the issuance of general obligation debt.

Pandemic Response –

To account for revenues and expenditures related to the City of The Colony emergency response to COVID 19 from grant and contribution funding.

The City also reports the following non-major governmental funds:

All of the following funds are Special Revenue Funds. Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trust or capital projects) that are legally restricted or committed to expenditures for specific purposes.

Lake Parks Fund – To account for revenue generated by fees and permits to enter and utilize the park area and facilities located on the eastern shore of Lake Lewisville.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements – Continued

Special Events Fund – To account for various special events of the City including Christmas decorations, 4th of July fireworks display and other special events held by the City.

Hotel/Motel Taxes Fund – To account for the receipt and allocation of the City's hotel/motel occupancy tax.

Police Forfeited Fund – To account for the funds granted to the police department that have been awarded by the court.

Federal Seized Fund – To account for funds granted to the police department in a revenue sharing agreement with the federal government.

Police Seized Fund – To account for funds seized by the police department that are awaiting disposition by the court.

Child Safety Fund – To account for child safety fees collected according to state statute to fund the school crossing guard program and for other programs designed to enhance child safety, health or nutrition.

Storm Water Utility Fund – To account for the revenue and expenses associated with drainage projects within the City.

Court Security Fund – To account for the revenue and expenditures associated with the portion of traffic tickets that have been restricted for the security of the Municipal Court.

Court Technology Fund – To account for the revenue and expenditures associated with the portion of traffic tickets restricted for upgrading the technology in the Municipal Court.

Keep The Colony Beautiful – To account for revenue and expenditures associated with the City-supported community volunteer program designed to help property owners who can't maintain their properties due to financial or physical limitations.

Citizens Donations Fund – To account for money received from the $1 Add-On Program and the Recycling Rebate Program. This money is restricted for social and community services, public safety citizen programs and beautification projects.

Public Improvement District (PID) No. 1 – To account for revenues and expenditures related to the City of The Colony Public Improvement District No.1.

Trinity North Medical – To account for revenues and expenditures related to the City of The Colony renting out space in their building.

Juvenile Case – To account for revenues and expenditures related to the City of The Colony's juvenile court.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements – Continued

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow.

All assets and liabilities are included in the Statement of Net Position. The City has presented the following major proprietary fund:

Water and Sewer Enterprise Fund

Water and Sewer Enterprise Fund is used to account for the acquisition, operation and maintenance of a municipal water and sewer utility, supported primarily by user charges to the public.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies, maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, liabilities (whether current or non-current), and deferred inflows and outflows of resources are included in the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for non-matured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury, investment pools consisting of such U.S. Treasury obligations, repurchase agreements, commercial paper and mutual funds. Substantially all operating cash and cash equivalents are maintained in pooled cash and time deposit accounts. Interest income relating to pooled deposits is allocated to the individual funds based on each fund's pro rata share of total pooled deposits.

Restricted cash and investments is classified separately in the balance sheet of governmental funds and statement of net position for proprietary funds and represents cash and cash equivalents restricted for specific infrastructure projects (governmental funds) or the payment of long-term debt and for the acquisition of capital assets (proprietary funds).

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents, as they are available for withdrawal on demand.

Investments are accounted for in accordance with GASB No. 31 – *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments are recorded at amortized cost when original maturity at the time of purchase is less than one year or at market if greater than one year.

Property Taxes

The City's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located within the City. Property taxes attach as an enforceable lien on property as of January 1 after they are levied. The assessed value upon which the fiscal year 2023 levy was based was $6,814,607,170. Taxes are due on October 1 and are delinquent after the following January 31. Current tax collections for the year ended September 30, 2023 were 99.56% of the tax levy.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2023 was $0.64500 per $100 of assessed valuation.

The ordinance levying the ad valorem taxes specifies the percentage of the taxes applicable to the General Fund, and Debt Service Fund therefore, ad valorem tax revenues are recorded as revenues in the respective funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Taxes – Continued

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values.

The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the revenues from the effective tax rate times the appraised values, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the property tax revenues from previous year by more than 3%, City must have an election to approve effective interest rates.

Lease Receivable

Lessor –
The City is a lessor for noncancellable leases of property. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At implementation of GASB Statement No. 87 and the commencement leases beginning after October 1, 2021, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Budgets

The City adopts annual appropriated budgets for its General Fund, Debt Service Fund, Lake Parks Fund, Special Events Fund, Hotel/Motel Taxes Fund, Child Safety Fund, and Storm Water Utility Fund. The budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budgets.

For the year ended September 30, 2023, expenditures exceeded appropriations as follows:

- Hotel/Motel
  - Culture and recreation ($135,933)
  - Capital outlay ($31,777)
  - Debt Service ($15,000)

Internal Balances

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Transactions between Funds and Component Units

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/ expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except interfund services and reimbursements, are recorded as transfers. Transactions between the component units and the primary government are accounted for as external transactions. During the year ended September 30, 2023, the TCCDC contributed $10,862,650 to the capital projects fund and $1,004,000 to the General Fund. Additionally, the TCEDC contributed $449,982 to the General Fund.

Prepaids and Inventories

Inventories, which are expended when consumed, are stated at cost on a first-in, first-out basis. Prepaid balances are for payment made by the City in the current year to provide services occurring in the subsequent fiscal year. The cost of prepaid items is expensed when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset lives are not capitalized. Renewals and betterments are capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets – Continued

Assets capitalized or amortized, not including infrastructure assets, have an original cost of $5,000 or more and over one year of useful life. Depreciation and amortization has been calculated on each class of depreciable or amortizable property using the straight-line method. Estimated useful lives are as follows:

Buildings	30 Years
Towers, tanks, and pump stations	40 Years
Infrastructure	40 Years
Machinery and equipment	5 - 10 Years
Right-use-assets	5 - 10 Years
Vehicles	5 Years

Vacation and Sick Leave (Compensated Absences)

In the event of termination, an employee is reimbursed for up to his/her accrued available vacation days. An employee may accumulate up to 130 days of sick leave; however, upon termination, qualified employees may be reimbursed for up to a maximum of 30 sick days. All vacation and qualifying sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources and pension expense, City-specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the City's Total Pension Liability and Total OPEB Liability is obtained from TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position and/or balance sheet will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting as deferred outflows:

Deferred Loss on Refunding – these deferred outflows result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Outflows/Inflows of Resources – Continued

Pensions/ OPEB – these deferred outflows result from pension/OPEB contributions after the measurement date (deferred and recognized as a reduction of the pension/OPEB liability in the following fiscal year), and differences between expected and actual economic experience and/or changes in actuarial assumptions (deferred and recognized over the remaining average service lives of the plan participants).

Deferred inflows of resources represent an acquisition of net assets that applies to a future periods. The City's governmental funds report unavailable tax revenues, leases, and revenues for charges for services at the fund level that will not be recognized as resources (revenue) until future periods. Deferred inflows for both pension and OPEB liabilities include differences between projected and actual investment earnings (deferred and recognized over a closed five-year period). Deferred inflows for pension and OPEB liabilities also include differences between expected and actual economic experience and/or changes in actuarial assumptions (deferred and recognized over the remaining average service lives of the plan participants).

Lease Payable

Lessee –
The City is a lessee for noncancellable leases of property, vehicles, and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Subscription-Based Information Technology Arrangements (SBITAs)

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes all subscription liabilities.

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Classification of Fund Equity

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent, either because it is not in spendable form or because of legal or contractual requirements. Restricted fund balances have constraints for specific purposes which are externally imposed by providers, such as creditors, grantors or other governments; or by enabling legislation of the City Council. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. Assigned fund balances are constrained by intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by City management based on City Council direction.

Unassigned fund balances include residual positive fund balances within the General Fund that had not been classified within the other mentioned categories. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. The City designates restricted amounts to be spent first if both restricted and unassigned fund balances are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, followed by assigned, and lastly unassigned amounts when expenditures are incurred for purpose for which amounts in any of those unrestricted fund balance classifications could be used. The proprietary funds and government-wide financial statements have three classifications of equity: (1) net investment in capital assets; (2) restricted net position and (3) unrestricted net position. In the first category, capital assets are netted with related bonded and capital lease debt. Restricted net position includes debt service, grantor and other government restrictions for proprietary funds and the same categories as restricted fund balance for governmental activities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

GASB Pronouncements Implemented by the City

GASB Statement No. 91, Conduit Debt Obligations, provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 91 to reporting periods beginning after December 15, 2021, with earlier application encouraged. The City has implemented this Statement in fiscal year 2023. The requirements of this Statement have no impact on the City's financial statements.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, improves financial reporting by addressing these relationships and availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The City has implemented this Statement in fiscal year 2023. The requirements of this Statement have no impact on the City's financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), provides guidance on the accounting and financial reporting of contractual arrangements. It defines SBITA; establishes that a SBITA results in a right-to-use subscription asset; provides capitalization criteria; and requires note disclosures. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City has implemented this Statement in fiscal year 2023.

NOTE 2. CASH AND INVESTMENTS

The funds of the City must be deposited and invested per the Public Funds Investment Act. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At September 30, 2023 the carrying amount of the City's deposits was $1,666,702 and the bank balance was $4,267,962. All of the bank balances were fully covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name. The City had petty cash totaling $5,634 at September 30, 2023.

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Legal and Contractual Provisions Governing Deposits and Investments – Continued

Statutes and the City's investment policy authorized the City to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Government Securities	5 Years	100%	None
State of Texas	5 Years	25%	None
States, Agencies, Counties, Cities and Other	5 Years	25%	None
Repurchase Agreements	90 Days	100%	None
Certificates of Deposits	5 Years	25%	None
Commercial Paper	270 Days	25%	None
No-Load Money Market Mutual Funds	90 Days	25%	None
Eligible Investment Pools	90 Days	100%	None

The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents – primary government	$ 109,457,837
Restricted cash and cash equivalents – primary government	2,831,196
Cash and cash equivalents – component units	31,684,714
Restricted cash and cash equivalents – component units	29,251,807
	$ 173,225,554

Cash and investments as of September 30, 2023 consist of the following:

Cash on hand	$ 5,634
Deposits with financial institutions	1,666,702
Investment pools and money market mutual funds	171,553,218
	$ 173,225,554

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2023 the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Weighted Average Maturity
TexPool	$ 101,962,452	25 days
TexPool Prime	33,864,149	14 days
Money Market Mutual Funds	35,726,617	41 days
	$ 171,553,218	

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2023 other than external investment pools the City did not have 5% or more of its investment with one issuer.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of September 30, 2023 the City deposits with financial institutions in excess of federal depository insurance limits were fully collateralized during the year.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Custodial Credit Risk – Continued

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

		Fair Value Measurements Using				
	Value at September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments	Weighted Average Maturity (Days)
Investments not Subject to Fair Value:						
Investment Pools:						
TexPool	$ 101,962,452	$ -	$ -	$ -	59.43%	25
TexPool Prime	33,864,149	-	-	-	19.74%	14
Investments by Fair Value Level:						
Money Market Mutual Funds	35,726,617	35,726,617	-	-	20.83%	40
Total Value	$ 171,553,218	$ 35,726,617	$ -	$ -	100.00%	

Money Market Mutual funds reported as Level 1 consist of shares of a money market funds government portfolio and are valued at net asset value (NAV) of the assets held by the City. The NAV is a quoted price in an active market.

Investment in State Investment Pools

The City is a voluntary participant in two investment pools: TexPool and TexPool Prime. Each of these pools operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Each uses amortized costs rather than market value to report the net position to compute share prices. Accordingly, the value of the City's position in the pools is the same as the value of the shares in the pool.

The State Comptroller of Public Accounts exercises responsibility over TexPool and TexPool Prime. This oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool.

NOTE 3. RECEIVABLES

Receivables at September 30, 2023 for the individual major funds, nonmajor funds, and component units in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	Governmental Activities				Business-type Activities	Discretely Presented Component Units
	General	Debt Service	Non-Major Governmental Funds	Total Governmental Activities	Water and Sewer Enterprise	
Receivables						
Property taxes	$ 443,758	$ 40,604	$ -	$ 484,362	$ 13,601	$ -
Franchise taxes	592,599	-	-	592,599	-	-
Sales taxes	4,029,041	-	-	4,029,041	-	4,029,040
Service accounts	785,111	-	-	785,111	3,864,747	-
Other	4,995,521	-	1,645,702	6,641,223	-	-
Gross receivables	10,846,030	40,604	1,645,702	12,532,336	3,878,348	4,029,040
Allowance for uncollectibles	(580,386)	-	-	(580,386)	(269,933)	-
Net total receivables	$ 10,265,644	$ 40,604	$ 1,645,702	$ 11,951,950	$ 3,608,415	$ 4,029,040

The Water and Sewer Fund service accounts receivable include unbilled charges for services rendered through September 30, 2023 in the amount of $1,629,351.

The City has entered into multiple lease agreements as lessor. The leases allow the right-to-use of land and cell towers to other organizations over the term of the lease. The City receives annual or monthly payments at the interest rate stated or implied within the leases. The interest rates for these leases ranged from 0.28%-5.71%. The City has $5,697,279 remaining in lease receivables, which is reported in the Receivables-other category, and $5,676,579 remaining in deferred inflows as of September 30, 2023.

Description	Interest rate	Receivable at commencement	Lease term (in years)	Ending Balance
Ground lease	0.28%-1.58%	$ 3,037,715	32	$ 2,831,285
Cell towers	0.28%-5.71%	3,302,196	5-20	2,865,994
Total governmental activities				$ 5,697,279

NOTE 3. RECEIVABLES – CONTINUED

Year Ended September 30,	Principal	Interest	Total
2024	$ 397,632	$ 123,221	$ 520,853
2025	311,838	116,361	428,199
2026	311,642	110,828	422,470
2027	283,932	105,743	389,675
2028	294,326	101,649	395,975
2029-2033	1,353,887	444,652	1,798,539
2034-2038	906,774	355,019	1,261,793
2039-2043	607,721	279,265	886,986
2044-2048	245,271	229,729	475,000
2049-2053	181,561	193,439	375,000
2054-2058	225,598	151,652	377,250
2059-2063	289,832	98,736	388,568
2064-2068	287,265	31,006	318,271
	$ 5,697,279	$ 2,341,300	$ 8,038,579

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Balance September 30, 2022	Capital Acquisitions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2023
Governmental Activities:					
Capital assets not being depreciated/amortized					
Land and Land Improvements	$ 4,510,684	$ -	$ -	$ -	$ 4,510,684
Rights-of-way	25,571,036	-	-	-	25,571,036
Construction in progress	9,779,209	15,164,329	-	(19,283,662)	5,659,876
Total capital assets not being depreciated/amortized	39,860,929	15,164,329	-	(19,283,662)	35,741,596
Capital assets being depreciated/amortized:					
Buildings	39,291,660	441,100	-	7,329,726	47,062,486
Improvements other than buildings	24,941,455	-	-	181,775	25,123,230
Swimming pool	2,076,251	-	-	-	2,076,251
Machinery and equipment	19,180,699	-	-	4,351,939	23,532,638
Infrastructure	295,396,744	1,522,618	-	7,420,222	304,339,584
Right-to-use SBITA assets	-	360,919	-	-	360,919
Right-to-use - equipment assets	1,265,639		-	-	1,265,639
Total capital assets being depreciated/amortized	382,152,448	2,324,637	-	19,283,662	403,760,747
Less: accumulated depreciation/amortization for:					
Buildings	(13,961,136)	(1,287,920)	-	-	(15,249,056)
Improvements other than buildings	(10,791,530)	(755,727)	-	-	(11,547,257)
Swimming pool	(1,288,248)	(70,704)	-	-	(1,358,952)
Machinery and equipment	(12,913,257)	(1,424,384)	-	-	(14,337,641)
Infrastructure	(128,881,051)	(6,854,129)	-	-	(135,735,180)
Right-to-use SBITA assets	-	(95,631)	-	-	(95,631)
Right-to-use equipment assets	(206,406)	(206,406)	-	-	(412,812)
Total accumulated depreciation/amortization	(168,041,628)	(10,694,901)	-	-	(178,736,529)
Total capital assets being depreciated/amortized, net	214,110,820	(8,370,264)	-	19,283,662	225,024,218
Governmental activities capital assets, net	$ 253,971,749	$ 6,794,065	$ -	$ -	$ 260,765,814

NOTE 4. CAPITAL ASSETS – CONTINUED

	Balance September 30, 2022	Capital Acquisitions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2023
Business-Type Activities:					
Capital assets not being depreciated:					
Land	$ 3,273,473	$ -	$ -	$ -	$ 3,273,473
Construction in progress	1,379,907	2,538,485	-	(346,375)	3,572,017
Total capital assets not being depreciated	4,653,380	2,538,485	-	(346,375)	6,845,490
Capital assets being depreciated:					
Building	724,161	-	-	-	724,161
Water System	95,080,798	576,971	-	-	95,657,769
Sanitary System	109,996,877	105,033	-	176,302	110,278,212
Drainage System	1,684,364	-	-	-	1,684,364
Machinery and Equipment	5,004,167	-	-	170,073	5,174,240
Infrastructure	16,947,047	-	-	-	16,947,047
Total capital assets being depreciated	229,437,414	682,004	-	346,375	230,465,793
Less: Accumulated depreciation for:					
Building	(593,682)	(7,343)	-	-	(601,025)
Water System	(31,394,104)	(2,320,040)	-	-	(33,714,144)
Sanitary System	(29,125,694)	(2,678,736)	-	-	(31,804,430)
Drainage System	(1,655,610)	(2,241)	-	-	(1,657,851)
Machinery and Equipment	(3,575,340)	(448,920)	-	-	(4,024,260)
Infrastructure	(9,662,350)	(343,440)	-	-	(10,005,790)
Total accumulated depreciation	(76,006,780)	(5,800,720)	-	-	(81,807,500)
Total capital assets being depreciated, net	153,430,634	(5,118,716)	-	346,375	148,658,293
Business-Type activities capital assets, net	$ 158,084,014	$ (2,580,231)	$ -	$ -	$ 155,503,783

NOTE 4. CAPITAL ASSETS – CONTINUED

	Balance September 30, 2022	Capital Acquisitions	Sales or Other Dispositions	Balance September 30, 2023
Component Units:				
Capital assets not being depreciated:				
Land	$ 28,677,089	$ -	$ -	$ 28,677,089
Construction in progress	-	291,735	-	291,735
Total capital assets not being depreciated	28,677,089	291,735	-	28,968,824
Capital assets being depreciated				
Vehicles	-	186,414	-	186,414
Total capital assets being depreciated	-	186,414	-	186,414
Less: Accumulated depreciated for:				
Machinery and Equipment	-	(6,311)	-	(6,311)
Total accumulated depreciation	-	(6,311)	-	(6,311)
Total capital assets being depreciated, net	-	180,103	-	180,103
Component Unit activities capital assets, net	$ 28,677,089	$ 471,838	$ -	$ 29,148,927

Depreciation and amortization expense was charged as direct expense to programs of the primary government as follows:

General government	$ 4,900,980
Public safety	1,238,526
Public works	3,684,188
Culture and recreation	871,207
Total depreciation/amortization expense-Governmental activities	$ 10,694,901
Business-type activities:	
Water and Sewer	5,800,720
Component Unity activities:	
General government	6,311

NOTE 5. LONG-TERM DEBT

At September 30, 2023, bonds payable consisted of the following individual issues:

Certificates of Obligation:	Governmental Activities	Business-type Activities	Component Units
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2013, 2.00% to 4.375%, maturing in annual installments of $155,000 to $675,000 through 2033.	$ 1,225,000	$ -	$ -
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014, 3.00% to 6.00%, maturing in annual installments of $510,000 to $1,550,000 through 2035.	2,147,600	13,192,400	-
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015, 3.00% to 4.00%, maturing in annual installments of $470,000 to $690,000 through 2035.	-	7,175,000	-
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2016, 3.00% to 4.00%, maturing in annual installments of $685,000 to $1,025,000 through 2037.	8,396,500	3,598,500	-
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018, 3.00% to 4.00%, maturing in annual installments of $555,000 to $850,000 through 2038.	9,117,000	1,013,000	-
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019, 3.00% to 5.00%, maturing in annual installments of $845,000 to $1,095,000 through 2039.	9,377,500	5,747,500	-
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2020, 3.00% to 5.00%, maturing in annual installments of $252,850 to $761,813 through 2040.	3,022,500	9,067,500	-
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2021, 2.00% to 5.00%, maturing in annual installments of $290,000 to $540,000 through 2040.	7,065,000	785,000	-
Combination Tax and Surplus Revenue Certificates of Obligation, Series 2022, 4.00% to 5.00%, maturing in annual installments of $475,000 to $1,335,000 through 2039.	11,940,000	7,960,000	-
	$ 52,291,100	$ 48,538,900	$ -
General Obligation Bonds:			
General Obligation Refunding Bonds, Series 2012, 2.00% to 3.00%, maturing in annual installments of $225,000 to $1,295,000 through 2023.	$ -	$ -	$ -
General Obligation Refunding Bonds, Series 2013, 3.00% to 5.00%, maturing in annual installments of $1,205,000 to $1,775,000 through 2024.	355,000	1,420,000	-
General Obligation Refunding Bonds, Series 2014, 2.00% to 5.00%, maturing in annual installments of $55,000 to $1,535,000 through 2026.	759,900	3,710,100	-
General Obligation Refunding Bonds, Series 2015, 3.00% to 4.00%, maturing in annual installments of $840,000 to $1,715,000 through 2027.	2,553,400	1,201,600	-
General Obligation Refunding Bonds, Series 2020, 3.00% to 4.00%, maturing in annual installments of $806,446 to $263,304 through 2030.	4,681,497	1,528,503	-
	$ 8,349,797	$ 7,860,203	$ -

Revenue Bonds:	Governmental	Business-type	Component Unit
Sales Tax Revenue Bonds, Series 2013 (Infrastructure Bonds), 4.50% to 7.25%, maturing in annual installments of $195,000 to $2,770,000 through 2042.	$ -	$ -	$ 27,545,000
Sales Tax Revenue Bonds, Series 2013 (Infrastructure Bonds), 4.50% to 7.25%, maturing in annual installments of $195,000 to $2,770,000 through 2042.	-	-	27,545,000
Sales Tax Increment Contract Revenue Bonds, Series 2013 (Infrastructure Bonds), 5.00% to 7.625%, maturing in annual installments from October 1, 2018 through October 1, 2042.	-	-	14,960,000
Sales Tax Increment Contract Revenue Bonds, Series 2013 (Infrastructure Bonds), 2.594% to 4.881%, maturing in annual installments from October 1, 2020 through October 1, 2047.	-	-	102,450,000
Sales Tax Revenue Bonds, Series 2017 (Infrastructure Bonds), 3.520%, maturing in annual installments from October 1, 2018 through October 1, 2032.	-	-	4,695,000
Tax Increment Contract Revenue Refunding Bonds, Series 2021, 3.580%, maturing in annual installments from October 1, 2021 through October 1, 2034.	-	-	18,200,000
	$ -	$ -	$ 195,395,000

NOTE 5. LONG-TERM DEBT – CONTINUED

The following is a summary of long-term debt transactions, including current portion, of the City for the year ended September 30, 2023:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Governmental Activities:					
Certificates of obligation	$ 55,142,250	$ -	$ (2,851,150)	$ 52,291,100	$ 2,898,650
General obligation bonds	10,288,768	-	(1,938,971)	8,349,797	1,785,587
Financed purchases	472,961	-	(232,769)	240,192	240,192
Lease payables	1,053,988	-	(194,185)	859,803	196,454
Subscription payables	-	360,919	(87,062)	273,857	100,102
Unamortized bond premium	6,025,409	-	(586,924)	5,438,485	-
Net pension liability	4,058,332	14,091,717	-	18,150,049	-
Total OPEB liability	1,187,693	-	(379,388)	808,305	-
Compensated absences	3,382,976	4,645,924	(3,352,920)	4,675,980	4,645,926
Governmental activities Long-term debt	$ 81,612,377	$ 19,098,560	$ (9,623,369)	$ 91,087,568	$ 9,866,911
Business-Type Activities:					
Certificates of obligation	$ 51,212,750	$ -	$ (2,673,850)	$ 48,538,900	$ 2,841,350
General obligation bonds	10,921,232	-	(3,061,029)	7,860,203	3,094,413
Unamortized bond premium	4,896,314	-	(535,926)	4,360,388	-
Net pension liability	552,150	1,866,760	-	2,418,910	-
Total OPEB liability	161,898		(51,675)	110,223	-
Compensated absences	393,197	778,584	(682,983)	488,798	483,188
Business-type activities Long-term debt	$ 68,137,541	$ 2,645,344	$ (7,005,463)	$ 63,777,422	$ 6,418,951
Component Units:					
Revenue bonds	$ 199,665,000	$ -	(4,270,000)	$ 195,395,000	$ 4,575,000
Unamortized bond discount	(2,842,719)	-	136,092	(2,706,627)	-
Compensated absences	99,430	13,856	(53,075)	60,211	95,576
Component units Long-term debt	$ 196,921,711	$ 13,856	$ (4,186,983)	$ 192,748,584	$ 4,670,576

The City intends to retire all of its general long-term liabilities, plus accrued interest, from ad valorem taxes and other current revenues from the Debt Service Fund as has been done in prior years. The proprietary fund type long-term debt, plus accrued interest, will be repaid from operating revenues of the Water and Sewer Enterprise Fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities which are normally liquidated during the current year.

NOTE 5. LONG-TERM DEBT – CONTINUED

Nebraska Furniture Mart

During March 2012, the TCEDC, TCCDC and TCLDC individually entered into a pledge agreement where the consideration of future sales tax revenue from the tax increment reinvestment zone would be used to repay debt issued by the component units to provide funding for the Nebraska Furniture Mart Texas project. This pledge was effectively an incentive agreement to secure the development of Nebraska Furniture Mart, through NFM Services, within the City of The Colony.

TCEDC and TCCDC have each pledged a portion of their future sales tax revenues to repay $29,580,000 of sales tax revenue bond series 2013 that each corporation issued in February 2013 to finance the acquisition of land and cost of construction and infrastructure associated with the Nebraska Furniture Mart Texas project. Total principal and interest remaining on each issuance is approximately $53.2 million as of September 30, 2023. Interest and principal paid and incremental sales tax revenues recognized were $2,422,255 and $4,573,540, respectively, for both TCCDC and TCEDC with regards to each corporation's 2013 bond series during the year ended September 30, 2023.

TCLDC has pledged a portion of its future sales tax revenues to repay $142,080,000 of sales tax incremental contract revenue bonds that the Corporation issued in February 2013 to finance the acquisition of land and cost of construction and infrastructure associated with the Nebraska Furniture Mart Texas project. Total principal and interest remaining on these bonds is approximately $208.5 million as of September 30, 2023. Interest and principal paid and incremental sales tax revenues recognized were $7,666,522 and $9,147,098, respectively, during the year ended September 30, 2023.

Description to Debt Indentures

Certificate of Obligation Bonds

The City issues certificate of obligation bonds to provide funds for the acquisition and construction of major capital facilities and infrastructure. The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due.

Revenue Bonds

The City issues revenue bonds to construct water and sewer system improvements. The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Enterprise Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

Bond Compliance

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions at September 30, 2023.

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for each bond type for the years subsequent to September 30, 2023, are as follows:

Certificate of Obligation Bonds

Annual debt service requirements to maturity for certificate obligation bonds, including interest of $17,100,581 for governmental activities, and $15,536,354 for business-type activities are as follows:

Fiscal Year Ending September 30	Governmental Activities Principal	Interest	Total
2024	$ 2,898,650	$ 2,007,611	$ 4,906,261
2025	2,902,400	1,876,645	4,779,045
2026	3,043,500	1,742,726	4,786,226
2027	3,167,350	1,604,833	4,772,183
2028	3,041,000	1,480,502	4,521,502
2029-2033	15,282,550	5,480,585	20,763,135
2034-2038	15,945,250	2,509,288	18,454,538
2039-2042	6,010,400	398,391	6,408,791
Total	$ 52,291,100	$ 17,100,581	$ 69,391,681

Fiscal Year Ending September 30	Business-Type Activities Principal	Interest	Total
2024	$ 2,841,350	$ 1,888,703	$ 4,730,053
2025	2,907,600	1,759,067	4,666,667
2026	2,916,500	1,626,912	4,543,412
2027	3,027,650	1,503,154	4,530,804
2028	3,039,000	1,389,280	4,428,280
2029-2033	16,497,450	5,093,382	21,590,832
2034-2038	13,019,750	1,967,633	14,987,383
2039-2043	4,289,600	308,223	4,597,823
Total	$ 48,538,900	$ 15,536,354	$ 64,075,254

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations – Continued

General Obligation Bonds

Annual debt service requirements to maturity for general obligation bonds, including interest of $1,254,675 for governmental activities, $708,015 for business-type activities are as follows:

Fiscal Year Ending September 30	Governmental Activities Principal	Interest	Total
2024	$ 1,785,587	$ 353,248	$ 2,138,835
2025	1,485,391	281,123	1,766,514
2026	1,540,196	224,500	1,764,696
2027	1,333,570	165,630	1,499,200
2028	701,094	112,281	813,375
2029-2032	1,503,959	117,893	1,621,852
Total	$ 8,349,797	$ 1,254,675	$ 9,604,472

Fiscal Year Ending September 30	Business-Type Activities Principal	Interest	Total
2024	$ 3,094,413	$ 294,776	$ 3,389,189
2025	1,729,609	169,803	1,899,412
2026	1,784,804	113,977	1,898,781
2027	531,430	56,297	587,727
2028	228,906	35,997	264,903
2029-2032	491,041	37,165	528,206
Total	$ 7,860,203	$ 708,015	$ 8,568,218

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations – Continued

Revenue Bonds

Revenue bond debt service requirements to maturity, including interest of $152,167,578 for component unit activities are as follows:

Fiscal Year Ending September 30	Component-Units		
	Principal	Interest	Total
2024	$ 4,575,000	$ 10,597,010	$ 15,172,010
2025	4,900,000	10,396,645	15,296,645
2026	5,255,000	10,177,832	15,432,832
2027	5,620,000	9,938,512	15,558,512
2028	6,005,000	9,677,748	15,682,748
2029-2033	36,300,000	43,539,665	79,839,665
2034-2038	42,135,000	33,167,018	75,302,018
2039-2043	55,855,000	19,384,586	75,239,586
2044-2048	34,750,000	5,288,562	40,038,562
Total	$ 195,395,000	$ 152,167,578	$ 347,562,578

Financed Purchases

During 2015, the City entered into a financed purchase agreement of $1,641,970 with principal and interest from 2.63% to 3.29% being paid through fiscal year 2024. Proceeds which has been recorded as capital assets. Future lease payments are paid through the City's debt service fund and are as follows:

Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2024	240,192	7,664	247,856
Total	$ 240,192	$ 7,664	$ 247,856

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations – Continued

Right-to-Use Lease Liability

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use and equipment over the term of the lease. The City is required to make monthly or annual payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

Description	Interest rate	Payable at commencement	Lease term (in years)	Ending Balance
Printers and mail machines	0.19%-1.91%	$ 194,064	2-4	$ 94,935
Fire equipment	2.70%	1,071,575	6	764,868
Total governmental activities				$ 859,803

Year Ended September 30,	Principal	Interest	Total
2024	$ 196,454	$ 21,212	$ 217,666
2025	185,109	16,982	202,091
2026	160,016	12,745	172,761
2027	156,992	8,592	165,584
2028	161,232	4,353	165,585
	$ 859,803	$ 63,884	$ 923,687

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations – Continued

Subscription-Based Information Technology Arrangements (SBITAs)

The city has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make monthly and annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

Description	Interest rate	Payable at commencement	Lease term (in years)	Ending Balance
Subscription payables	1.79%-3.5%	$ 360,919	2-4	$273,857
Total governmental activities				$273,857

Year Ended September 30,	Principal	Interest	Total
2024	$100,102	$ 8,495	$108,597
2025	86,504	5,351	91,855
2026	68,415	2,690	71,105
2027	18,836	540	19,376
	$273,857	$17,076	$290,933

The value of the subscription assets as of the end of the current fiscal year was $360,919 and had accumulated amortization of $95,631.

Net Pension Liability/ OPEB liability

The general fund has typically been used to liquidate governmental activities' pension and OPEB liabilities.

NOTE 6. TRANSFERS AND INTERFUND RECEIVEABLES/PAYABLES

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2023 were as follows:

Transfers Out	Transfers In	Amount	Purpose
General Fund	Non-major Funds	$ 1,912,000	Funding for special events and programs
Non-major Funds	Capital Projects Fund	227,045	Funding for debt financed capital projects
Non-major Funds	General Fund	95,000	Funding for capital projects
Non-major Funds	Utility Fund	100,000	Funding for capital projects
Non-major Funds	Non-major Funds	277,572	Funding for public safety and special events
	Total	$ 2,611,617	

NOTE 7. RETIREMENT PLAN

A. Plan Description

The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the member's contributions, with interest, and the city-financed monetary credits with interest. The retiring member may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

NOTE 7. RETIREMENT PLAN – CONTINUED

B. Benefits Provided – Continued

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and city matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date.

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	235
Inactive employees entitled to but not yet receiving benefits	251
Active employees	396
	882

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City was 13.47% and 13.45% for calendar years 2022 and 2023, respectively. The City’s contributions to TMRS for the year ended September 30, 2023 were $4,080,627 and were equal to the required contributions.

NOTE 7. RETIREMENT PLAN – CONTINUED

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5% per year including inflation
Investment Rate of Return	6.75%
Amortization method	Level percentage of payroll, closed
Actuarial cost method	Entry Age Normal

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

NOTE 7. RETIREMENT PLAN – CONTINUED

D. Net Pension Liability – Continued

Actuarial Assumptions – Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time(conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

NOTE 7. RETIREMENT PLAN – CONTINUED

D. Net Pension Liability – Continued

Allocations

The City's net pension liability, pension expense, and deferred outflows of resources related to TMRS have been allocated between governmental activities and business-type activities using a contribution-based method.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	$ 122,451,764	$ 117,841,282	$ 4,610,482
Changes for the year:			
Service Cost	5,156,067	-	5,156,067
Interest	8,260,909	-	8,260,909
Change of benefit terms	-	-	-
Difference between expected and actual experience	146,281	-	146,281
Changes of assumptions	-	-	-
Contributions - employer	-	4,080,626	(4,080,626)
Contributions - employee	-	2,120,592	(2,120,592)
Net investment income	-	(8,610,826)	8,610,826
Benefit payments, including refunds of employee contributions	(5,291,919)	(5,291,919)	-
Administrative expense	-	(74,437)	74,437
Other changes	-	88,825	(88,825)
Net Changes	8,271,338	(7,687,139)	15,958,477
Balance at 12/31/22	$ 130,723,102	$ 110,154,143	$ 20,568,959

Net Pension Liability as a percentage of covered employee payroll 67.90%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	$ 39,512,045	$ 20,568,959	$ 5,031,818

NOTE 7. RETIREMENT PLAN – CONTINUED

D. Net Pension Liability – Continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.tmrs.com.

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of $8,667,720. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

de	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 899,803	$ -
Changes in actuarial assumptions	81,476	-
Difference between projected and actual investment earnings	7,630,622	-
Contributions subsequent to the measurement date	3,289,338	-
Total	$ 11,901,239	$ -

The $3,289,338 reported as deferred outflows of resources related to pensions result from contributions subsequent to the measurement date and will reduce the net pension liability during the fiscal year ending September 30, 2024. The other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended Sept. 30:	Net deferred outflows (inflows) of resources
2024	$ 1,043,552
2025	2,105,121
2026	2,125,574
2027	3,337,654
Total	$ 8,611,901

NOTE 8. DEFERRED COMPENSATION PLAN

The City participates in a deferred compensation plan, which falls under Internal Revenue Code Section 457. Virtually all employees are eligible to participate in the plan. The deferred compensation plan allows the deferral of individual federal income taxes until funds are withdrawn. Funds may be withdrawn at termination, retirement, death or unforeseeable emergency. Employees may contribute a maximum of 100% of compensation included in gross income or $15,500 whichever is less.

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property and rights of the City subject only to the claims of the City's general creditors. As a result, at September 30, 2023, the deferred compensation plan is not reported in the City's financial statements.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

B. Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit ("OPEB") and is a fixed amount of $7,500.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	159
Inactive employees entitled to but not yet receiving benefits	46
Active employees	396
	601

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – CONTINUED

C. Contributions

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.16% and 0.26% for calendar years 2022 and 2023, respectively. The City's contributions to the SDBF for the year ended September 30, 2023, were $21,206 and were equal to the required contributions.

D. Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.50% to 11.50%, including inflation
Discount rate	4.05%
Retiree's share of benefit-related cost	$0
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll; closed

Salary increases were based on a service-related table. Mortality rates for post-retirement were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates for preretirement were based on PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – CONTINUED

E. Actuarial Assumptions – Continued

Actuarial assumptions used in the December 31, 2021 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were first adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

The discount rate used to measure the Total OPEB Liability was 4.05% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

F. Changes in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability (a)
Balance at 12/31/2021	$ 1,349,591
Changes for the year:	
Service Cost	81,794
Interest	25,390
Difference between expected and actual experience	(43,826)
Changes of assumptions	(473,215)
Benefit payments	(21,206)
Net Changes	(431,063)
Balance at 12/31/2022	$ 918,528

Total OPEB Liability as a percentage of covered payroll 3.03%.

G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.05%) or 1 percentage-point higher (5.05%) than the current rate:

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
Total OPEB liability	$ 1,100,574	$ 918,528	$ 775,402

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – CONTINUED

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of $7,908. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	$ 202,292	$ 419,763
Difference between projected and actual investment earnings	-	88,563
Contributions subsequent to the measurement date	63,560	-
Total	$ 265,852	$ 508,326

The $63,560 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2024. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30:	Net deferred outflows (inflows) of resources
2024	$ (33,931)
2025	(38,360)
2026	(37,140)
2027	(58,699)
2028	(76,413)
Thereafter	(61,491)
	$ (306,034)

NOTE 10. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor agency cannot be determined at this time although the City expects such amounts, if any, to be immaterial to the basic financial statements.

NOTE 10. COMMITMENTS AND CONTINGENCIES – CONTINUED

At September 30, 2023, certain claims and litigation against the City are pending with respect to matters arising in the normal course of the City's operations. City management is of the opinion that the settlement of these matters will not have a material adverse effect on the City's financial statements.

At September 30, 2023, the City had authorized construction contract commitments of $4,171,016.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the City purchased commercial insurance to cover these liabilities. Additionally, the City purchases commercial insurance to cover employee health benefits. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three years.

NOTE 12. TAX ABATEMENTS

The City enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales taxes and may include other incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case by case basis by the City Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Chapter 380 of the Texas Local Government Code allows the City to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the City. The City had the following agreements for the fiscal year ending September 30, 2023.

- Per the Grandscape, William Sonoma, and Top Golf TIF agreement for commercial development of 433 undeveloped acres, 100% of the property tax collections from the TIRZ projects and 90% of sales tax collections from TIRZ businesses were to be abated. The City abated $1,864,454 in property taxes and $18,294,196 in sales taxes.

- There was an agreement for Tribute properties to develop a 1,200-acre residential and golf community within the City under which 50% of property taxes was agreed to be abated. The City abated $4,041,092 in property taxes.

- Per the Tribute TIF agreement to fund water storage tank and construction of fire station, and improve roadways, marina park and entertainment district, 55% of property taxes from development limited to total property taxes less the agreement stated above was agreed to be abated. The City abated $1,487,898 in property taxes.

NOTE 13. FUND BALANCE/NET POSITION

The composition of the City's governmental fund balances as of September 30, 2023 is as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Pandemic Response Fund	Non major Governmental Funds	Total Governmental Funds
Non-spendable:						
Inventory	$ 150,963	$ -	$ -	$ -	$ -	$ 150,963
Prepaids	33,166	-	-	-	816	33,982
	184,129	-	-	-	816	184,945
Restricted for:						
Debt service	-	5,593,826	-	-	-	5,593,826
Tourism	-	-	-	-	2,022,557	2,022,557
Police	-	-	-	-	105,536	105,536
Child Safety	-	-	-	-	120,118	120,118
Stormwater drainage	-	-	-	-	2,274,807	2,274,807
Court	-	-	-	-	531,291	531,291
PID No. 1	-	-	-	-	580,415	580,415
Social and community services	-	-	-	-	223,858	223,858
Pandemic response	-	-	-	72	-	72
Other projects	3,238,248	-	-	-	-	3,238,248
Capital projects	-	-	20,101,088	-	-	20,101,088
	3,238,248	5,593,826	20,101,088	72	5,858,582	34,791,816
Committed for:						
Parks	-	-	-	-	2,152,265	2,152,265
Unassigned	37,893,987	-	-	-	-	37,893,987
Total	$ 41,316,364	$ 5,593,826	$ 20,101,088	$ 72	$ 8,011,663	$ 75,023,013

Net position restricted for other reported for the governmental activities in the statement of net position is comprised of the sum of the balances that are reported as restricted fund balances in the general fund and the non-major governmental funds.

NOTE 14. SUBSEQUENT EVENTS

The City has evaluated all events or transactions that occurred after September 30, 2023 through March 28, 2024, the date the financial statements were issued. During this period, there were no material subsequent events requiring recognition or additional disclosure in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT A-1

CITY OF THE COLONY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – TMRS
LAST NINE MEASUREMENT YEARS

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total pension liability:									
Service cost	$ 5,156,067	$ 4,833,901	$ 4,598,382	$ 4,260,983	$ 3,870,905	$ 3,593,344	$ 3,247,190	$ 3,038,645	$ 2,636,444
Interest	8,260,909	7,705,205	7,143,318	6,525,581	6,090,550	5,640,026	5,246,784	4,956,953	4,717,021
Difference between expected and actual experience	146,281	475,568	686,320	1,392,962	(201,099)	653,253	395,250	681,456	(1,078,676)
Change in assumptions	-	-	-	469,452	-	-	-	1,451,967	-
Benefit payments, including refunds of employee contributions	(5,291,919)	(4,594,279)	(3,848,793)	(3,483,246)	(3,537,724)	(3,164,226)	(3,308,765)	(3,324,791)	(2,771,781)
Net change in total pension liability	8,271,338	8,420,395	8,579,227	9,165,732	6,222,632	6,722,397	5,580,459	6,804,230	3,503,008
Total pension liability - beginning	122,451,764	114,031,369	105,452,142	96,286,410	90,063,778	83,341,381	77,760,922	70,956,692	67,453,684
Total pension liability - ending (a)	130,723,102	122,451,764	114,031,369	105,452,142	96,286,410	90,063,778	83,341,381	77,760,922	70,956,692
Plan fiduciary net position:									
Contributions - employer	4,080,627	3,861,496	3,509,336	3,330,020	3,044,002	2,825,357	2,343,572	2,336,643	2,051,029
Contributions - employee	2,120,592	2,003,458	1,900,158	1,790,133	1,630,948	1,512,532	1,360,283	1,309,761	1,179,152
Net investment income	(8,610,826)	13,461,929	7,176,504	12,447,283	(2,451,824)	9,825,153	4,466,472	96,983	3,534,120
Benefit payments, including refunds of employee contributions	(5,291,919)	(4,594,279)	(3,848,793)	(3,483,246)	(3,537,724)	(3,164,226)	(3,308,765)	(3,324,791)	(2,771,781)
Administrative expense	(74,437)	(62,232)	(46,406)	(70,294)	(47,376)	(50,917)	(50,436)	(59,070)	(36,893)
Other	88,824	426	(1,811)	(2,113)	(2,475)	(2,581)	(2,717)	(2,918)	(3,033)
Net change in plan fiduciary net position	(7,687,139)	14,670,798	8,688,988	14,011,783	(1,364,449)	10,945,318	4,808,409	356,608	3,952,594
Plan fiduciary net position - beginning	117,841,282	103,170,484	94,481,496	80,469,713	81,834,162	70,888,844	66,080,435	65,723,827	61,771,233
Plan fiduciary net position - ending (b)	110,154,143	117,841,282	103,170,484	94,481,496	80,469,713	81,834,162	70,888,844	66,080,435	65,723,827
Net pension liability - ending (a) - (b)	$ 20,568,959	$ 4,610,482	$ 10,860,885	$ 10,970,646	$ 15,816,697	$ 8,229,616	$ 12,452,537	$ 11,680,487	$ 5,232,865
Plan fiduciary net position as a percentage of total pension liability	84.27%	96.23%	90.48%	89.60%	83.57%	90.86%	85.06%	84.98%	92.63%
Covered payroll	$ 30,294,165	$ 28,619,902	$ 27,145,113	$ 25,576,127	$ 23,248,678	$ 21,607,602	$ 19,432,616	$ 18,710,868	$ 16,838,560
Net pension liability as a percentage of covered payroll	67.90%	16.11%	40.01%	42.89%	68.03%	38.09%	64.08%	62.43%	31.08%

Note: Only nine years of data is presented in accordance with GASB No.68, paragraph 138, "The information for all period for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years' information will be displayed as it becomes available."

EXHIBIT A-2

CITY OF THE COLONY, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS – TMRS
LAST NINE FISCAL YEARS

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Actuarially determined contribution	$ 4,080,627	$ 3,861,496	$ 3,770,299	$ 3,477,782	$ 3,247,835	$ 2,998,437	$ 2,723,827	$ 2,399,108	$ 2,224,043
Contribution in relation of the actuarially determined contribution	4,080,627	3,861,496	3,770,299	3,477,782	3,247,835	2,998,437	2,723,827	2,399,108	2,224,043
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 32,146,158	$ 30,774,816	$ 28,244,747	$ 26,570,811	$ 24,667,651	$ 22,698,203	$ 19,440,612	$ 19,236,056	$ 19,145,821
Contributions as a percentage of covered payroll	12.69%	12.55%	13.35%	13.09%	13.17%	13.21%	14.01%	12.47%	11.62%

Note: GASB No.68, paragraph 81.2.b requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

Note: Only nine years of data is presented in accordance with GASB #68, paragraph 138, "The information for all period for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years' information will be displayed as it becomes available."

EXHIBIT A-3

CITY OF THE COLONY, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS – TMRS
LAST SIX MEASUREMENT YEARS

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total OPEB liability:						
Service cost	$ 81,794	$ 71,550	$ 57,005	$ 40,922	$ 41,848	$ 32,411
Interest	25,390	26,044	29,359	30,875	28,018	27,153
Differences between expected and actual experience	(43,826)	(46,639)	(17,505)	(11,620)	(15,239)	-
Change in assumptions	(473,215)	42,215	171,209	172,459	(62,382)	69,501
Benefit payments	(21,206)	(20,034)	(5,429)	(5,115)	(6,975)	(4,322)
Net change in total pension liability	(431,063)	73,136	234,639	227,521	(14,730)	124,743
Total OPEB liability - beginning	1,349,591	1,276,455	1,041,816	814,295	829,025	704,282
Total OPEB liability - ending (a)	$ 918,528	$ 1,349,591	$ 1,276,455	$ 1,041,816	$ 814,295	$ 829,025
Covered-employee payroll	$ 30,294,165	$ 28,619,902	$ 27,145,113	$ 25,576,127	$ 23,248,678	$ 21,607,602
Total OPEB liability as a percentage of covered-employee payroll	3.03%	4.72%	4.70%	4.07%	3.50%	3.84%

Note: Only six years of data is presented in accordance with GASB No.75. Additional years' information will be displayed as it becomes available.

The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

EXHIBIT A-4

CITY OF THE COLONY, TEXAS
SCHEDULE OF OPEB CONTRIBUTIONS – TMRS
LAST SIX FISCAL YEARS

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially determined contribution	$ 21,206	$ 20,034	$ 15,868	$ 5,365	$ 5,653	$ 6,186
Contribution in relation of the actuarially determined contribution	21,206	20,034	15,868	5,365	5,653	6,186
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 32,146,158	$ 30,774,816	$ 28,244,747	$ 26,570,811	$ 24,667,651	$ 22,698,203
Contributions as a percentage of covered-employee payroll	0.07%	0.07%	0.06%	0.02%	0.02%	0.03%

Note: Only six years of data is presented in accordance with GASB No.75. Additional years' information will be displayed as it becomes available.

The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

EXHIBIT A-5

CITY OF THE COLONY, TEXAS
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes, penalties and interest	$ 33,708,953	$ 33,708,953	$ 36,816,240	$ 3,107,287
Franchise taxes	2,440,316	2,440,316	2,911,718	471,402
Municipal sales tax	10,550,000	10,550,000	11,812,142	1,262,142
Licenses and permits	2,234,000	2,234,000	1,933,144	(300,856)
Charge for services	1,663,700	1,663,700	2,141,478	477,778
Fines and forfeitures	780,000	780,000	842,719	62,719
Grants	351,000	351,000	840,320	489,320
Gifts and Contributions	-	-	298,797	298,797
Intergovernmental	1,753,827	1,753,827	1,753,827	-
Investment income	26,000	26,000	3,541,956	3,515,956
Miscellaneous	520,000	520,000	1,590,845	1,070,845
Total revenues	54,027,796	54,027,796	64,483,186	10,455,390
EXPENDITURES				
Current:				
General government:				
Community image	557,378	571,335	599,158	(27,823)
General administration	1,897,410	1,940,086	1,791,879	148,207
City secretary	429,277	442,051	516,141	(74,090)
City council	87,520	87,520	73,708	13,812
Human resources	728,224	815,288	768,139	47,149
Finance	1,322,418	1,359,371	1,308,478	50,893
Information technology	991,490	1,083,782	1,048,095	35,687
Nondepartmental	5,063,438	5,056,077	5,687,687	(631,610)
Fleet services	1,299,581	1,233,319	1,436,995	(203,676)
Public safety:				
Municipal court	508,312	522,663	521,073	1,590
Fire	13,003,811	13,426,195	13,549,863	(123,668)
Police	14,540,483	16,278,310	15,699,322	578,988
Public works:				
Engineering	2,012,615	2,174,652	2,080,130	94,522
Facilities maintenance	1,827,271	1,982,092	2,091,971	(109,879)
Culture and recreation:				
Parks and recreation	2,789,536	2,863,043	2,560,238	302,805
Aquatic park	570,515	519,744	480,192	39,552
Library	1,355,645	1,418,997	1,312,512	106,485
Community center	231,131	243,980	272,449	(28,469)
Total expenditures	49,216,055	52,018,505	51,798,030	220,475
Excess of revenues Over expenditures	4,811,741	2,009,291	12,685,156	10,675,865
OTHER FINANCING SOURCES (USES)				
Issuance of debt - SBITAs	-	-	329,742	329,742
Transfers from other funds	1,848,827	1,848,827	95,000	(1,753,827)
Transfers to other funds	(8,152,473)	(8,152,473)	(1,912,000)	6,240,473
Total other financing sources (uses)	(6,303,646)	(6,303,646)	(1,487,258)	4,816,388
NET CHANGE IN FUND BALANCE	(1,491,905)	(4,294,355)	11,197,898	15,492,253
FUND BALANCES, BEGINNING OF YEAR	30,118,466	30,118,466	30,118,466	-
FUND BALANCES, END OF YEAR	$ 28,626,561	$ 25,824,111	$ 41,316,364	$ 15,492,253

CITY OF THE COLONY, TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2023

BUDGETARY INFORMATION

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Prior to July 31, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

3. The proposed budget is filed with the City Secretary not less than 30 days prior to the time the City Council approves the tax levy for the fiscal year commencing the following October 1. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.

4. The City Manager has authority to transfer appropriation balances from one expenditure account to another within a single department of the City. Only the City Council may transfer any unencumbered appropriation balance or portion thereof from one department to another. Appropriations lapse at the end of the fiscal year.

An annual budget is legally adopted for the General Fund using accounting principles generally accepted in the United States of America in all material respects.

Expenditures exceeded appropriations in the general fund as follows during the year ended September 30, 2023:

- Community image ($27,823)
- City Secretary ($74,090)
- Nondepartmental ($631,610)
- Fleet Services ($203,676)
- Fire ($123,668)
- Facilities maintenance ($109,879)
- Community center ($28,469)

THE
COLONY
City by the Lake

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bonds and interest from governmental resources.

EXHIBIT B-1

CITY OF THE COLONY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem tax	$ 9,691,478	$ 9,691,478	$ 7,183,566	$ (2,507,912)
Investment income	40,000	40,000	557,392	517,392
Total revenues	9,731,478	9,731,478	7,740,958	(1,990,520)
EXPENDITURES				
Debt service:				
Principal retirement	5,410,483	5,410,483	4,894,613	515,870
Interest and fiscal charges	2,416,761	2,416,761	2,668,555	(251,794)
Total expenditures	7,827,244	7,827,244	7,563,168	264,076
Excess (deficiency) of revenues over (under) expenditures	1,904,234	1,904,234	177,790	(1,726,444)
NET CHANGE IN FUND BALANCES	1,904,234	1,904,234	177,790	(1,726,444)
FUND BALANCE, BEGINNING OF YEAR	5,416,036	5,416,036	5,416,036	-
FUND BALANCE, END OF YEAR	$ 7,320,270	$ 7,320,270	$ 5,593,826	$ (1,726,444)

THE
COLONY
City by the Lake

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specific purposes.

Lake Parks Fund – To account for revenue generated by fees and permits to enter and utilize the park area and facilities located on the eastern shore of Lake Lewisville.

Special Events Fund – To account for various special events of the City including Christmas decorations, 4th of July fireworks display, and other special events held by the City.

Hotel/Motel Taxes Fund – To account for the receipt and allocation of the City's hotel/motel occupancy tax.

Police Forfeited Fund – To account for the funds granted to the police department that have been awarded by the court.

Federal Seized Fund – To account for funds granted to the police department in a revenue sharing agreement with the federal government.

Police Seized Fund – To account for funds seized by the police department that are awaiting disposition by the court.

Child Safety Fund – To account for child safety fees collected according to state statute to fund the school crossing guard program and other programs designed to enhance child safety, health or nutrition.

Storm Water Utility Fund – To account for the revenue and expenses associated with the drainage projects within the City.

Court Security Fund – To account for the revenue and expenditures associated with the portion of traffic tickets that have been restricted for the security of the Municipal Court.

Court Technology Fund – To account for the revenue and expenditures associated with the portion of traffic tickets restricted for upgrading the technology in the Municipal Court.

Keep The Colony Beautiful – To account for revenue and expenditures associated with the City-supported community volunteer program designed to help property owners who can't maintain their properties due to financial or physical limitations.

Citizens Donations Fund – To account for money received from the $1 Add-On Program and the Recycling Rebate Program. This money is restricted for social and community services, public safety citizen programs and beautification projects.

Public Improvement District (PID) No.1 – To account for revenues and expenditures related to the City of The Colony Public Improvement District No. 1.

Trinity North Medical – To account for revenues and expenditures related to the City of The Colony renting out space in their building that is externally restricted.

Juvenile Case – To account for revenues and expenditures related to the City of The Colony's juvenile court.

CITY OF THE COLONY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	SPECIAL REVENUE						
	LAKE PARKS	SPECIAL EVENTS	HOTEL/ MOTEL TAXES	POLICE FORFEITED FUND	FEDERAL SEIZED FUND	POLICE SEIZED FUND	CHILD SAFETY FUND
ASSETS							
Cash and cash equivalents	$ 2,261,736	$ 64,814	$ 1,970,748	$ 92,601	$ 12,935	$ -	$ 69,573
Accounts receivable	1,270,853	-	324,304		-	-	50,545
Prepaids	-	816	-	-	-	-	-
TOTAL ASSETS	$ 3,532,589	$ 65,630	$ 2,295,052	$ 92,601	$ 12,935	$ -	$ 120,118
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued expenses	$ 9,844	$ 8,940	$ 272,495	$ -	$ -	$ -	$ -
Due to other funds	-	13,102	-	-	-	-	-
TOTAL LIABILITIES	9,844	22,042	272,495	-	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources - leases	1,370,480	-	-	-	-	-	-
	1,370,480	-	-	-	-	-	-
FUND BALANCES							
Non spendable	-	816	-	-	-	-	-
Restricted	-	42,772	2,022,557	92,601	12,935	-	120,118
Committed	2,152,265	-	-	-	-	-	-
TOTAL FUND BALANCES	2,152,265	43,588	2,022,557	92,601	12,935	-	120,118
TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCES (DEFICIT)	$ 3,532,589	$ 65,630	$ 2,295,052	$ 92,601	$ 12,935	$ -	$ 120,118

SPECIAL REVENUE								
STORM WATER UTILITY	COURT SECURITY	COURT TECHNOLOGY	KEEP THE COLONY BEAUTIFUL	CITIZENS DONATIONS	PID No. 1	TRINITY NORTH MEDICAL	JUVENILE CASE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
$ 2,780,210	$ 319,489	$ 28,642	$ 12,849	$ 10,647	$ 629,665	$ 157,687	$ 183,168	$ 8,594,764
-	-	-	-	-	-	-	-	1,645,702
-	-	-	-	-	-	-	-	816
$ 2,780,210	$ 319,489	$ 28,642	$ 12,849	$ 10,647	$ 629,665	$ 157,687	$ 183,168	$ 10,241,282
$ 505,403	$ -	$ -	$ -	$ -	$ 49,250	$ 97	$ 8	$ 846,037
-	-	-	-	-	-	-	-	13,102
505,403	-	-	-	-	49,250	97	8	859,139
-	-	-	-	-	-	-	-	1,370,480
-	-	-	-	-	-	-	-	1,370,480
-	-	-	-	-	-	-	-	816
2,274,807	319,489	28,642	12,849	10,647	580,415	157,590	183,160	5,858,582
-	-	-	-	-	-	-	-	2,152,265
2,274,807	319,489	28,642	12,849	10,647	580,415	157,590	183,160	8,011,663
$ 2,780,210	$ 319,489	$ 28,642	$ 12,849	$ 10,647	$ 629,665	$ 157,687	$ 183,168	$ 10,241,282

CITY OF THE COLONY, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	SPECIAL REVENUE						
	LAKE PARKS	SPECIAL EVENTS	HOTEL/ MOTEL TAXES	POLICE FORFEITED FUND	FEDERAL SEIZED FUND	POLICE SEIZED FUND	CHILD SAFETY FUND
REVENUES							
Licenses and permits	$ 512,416	$ -	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	-	79,948	-
Charges for services	-	-	-	-	-	-	-
Hotel / motel taxes	-	-	2,356,975	-	-	-	-
Gifts and contributions	123,466	-	-	-	-	-	-
Grants	-	-	-	-	-	-	53,839
Investment income	-	-	-	-	-	-	-
Miscellaneous	119,771	55,571	1,097	10,626	-	-	-
Total revenues	755,653	55,571	2,358,072	10,626	-	79,948	53,839
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Culture and recreation	222,235	590,397	1,401,302	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	38,276	-	8,337	59,500
Capital outlay	4,200	-	31,177	-	-	-	-
Debt Service							
Principal	-	-	15,000	-	-	-	-
Total expenditures	226,435	590,397	1,447,479	38,276	-	8,337	59,500
Excess (deficiency) of revenues over (under) expenditures	529,218	(534,826)	910,593	(27,650)	-	71,611	(5,661)
OTHER FINANCING SOURCES (USES)							
Issuance of debt - SBITAs	-	-	31,177	-	-	-	-
Transfers from other funds	-	600,000	400,000	77,572	-	-	-
Transfers to other funds	(35,000)	-	(200,000)	(23,120)	-	(77,572)	(10,000)
Total other financing sources (uses)	(35,000)	600,000	231,177	54,452	-	(77,572)	(10,000)
NET CHANGE IN FUND BALANCES (DEFICIT)	494,218	65,174	1,141,770	26,802	-	(5,961)	(15,661)
FUND BALANCES, BEGINNING OF YEAR	1,658,047	(21,586)	880,787	65,799	12,935	5,961	135,779
FUND BALANCES, END OF YEAR	$ 2,152,265	$ 43,588	$ 2,022,557	$ 92,601	$ 12,935	$ -	$ 120,118

SPECIAL REVENUE								
STORM WATER UTILITY	COURT SECURITY	COURT TECHNOLOGY	KEEP THE COLONY BEAUTIFUL	CITIZENS DONATIONS	PID No. 1	TRINITY NORTH MEDICAL	JUVENILE CASE	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
1,275,523	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,787,939
-	22,090	18,124	-	-	-	-	31,232	151,394
-	-	-	-	-	1,304,422	-	-	1,304,422
-	-	-	-	-	-	-	-	2,356,975
-	-	-	-	252	-	-	-	123,718
-	-	-	-	-	-	-	-	53,839
-	-	-	-	-	103,011	-	-	103,011
-	-	-	-	-	-	-	-	187,065
1,275,523	22,090	18,124	-	252	1,407,433	-	31,232	6,068,363
-	-	-	-	-	1,113,307	-	-	1,113,307
-	-	-	-	-	-	-	-	2,213,934
58,090	-	-	8,352	-	-	-	-	66,442
-	4,921	516	-	-	-	-	3,316	114,866
857,982	-	-	-	-	-	-	-	893,359
-	-	-	-	-	-	-	-	15,000
916,072	4,921	516	8,352	-	1,113,307	-	3,316	4,416,908
359,451	17,169	17,608	(8,352)	252	294,126	-	27,916	1,651,455
-	-	-	-	-	-	-	-	31,177
1,102,000	-	-	10,000	-	-	-	-	2,189,572
(353,925)	-	-	-	-	-	-	-	(699,617)
748,075	-	-	10,000	-	-	-	-	1,521,132
1,107,526	17,169	17,608	1,648	252	294,126	-	27,916	3,172,587
1,167,281	302,320	11,034	11,201	10,395	286,289	157,590	155,244	4,839,076
$ 2,274,807	$ 319,489	$ 28,642	$ 12,849	$ 10,647	$ 580,415	$ 157,590	$ 183,160	$ 8,011,663

EXHIBIT C-3

CITY OF THE COLONY, TEXAS
LAKE PARKS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Licenses and permits	$ 390,000	$ 390,000	$ 512,416	$ 122,416
Gift and contributions	232,000	232,000	123,466	(108,534)
Miscellaneous	-	-	119,771	119,771
Total revenues	622,000	622,000	755,653	133,653
EXPENDITURES				
Culture and recreation	1,008,778	1,023,657	222,235	801,422
Capital outlay	473,520	458,915	4,200	454,715
Total expenditures	1,482,298	1,482,572	226,435	1,256,137
Excess (deficiency) of revenues over (under) expenditures	(860,298)	(860,572)	529,218	1,389,790
OTHER FINANCING USES				
Transfers to other funds	(35,000)	(35,000)	(35,000)	-
Total other financing uses	(35,000)	(35,000)	(35,000)	-
NET CHANGE IN FUND BALANCES	(895,298)	(895,572)	494,218	1,389,790
FUND BALANCE, BEGINNING OF YEAR	1,658,047	1,658,047	1,658,047	-
FUND BALANCE, END OF YEAR	$ 762,749	$ 762,476	$ 2,152,265	$ 1,389,790

EXHIBIT C-4

CITY OF THE COLONY, TEXAS
SPECIAL EVENTS SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Gifts and contributions	$ 13,000	$ 13,000	$ -	$ (13,000)
Miscellaneous	17,000	17,000	55,571	38,571
Total revenues	30,000	30,000	55,571	25,571
EXPENDITURES				
Culture and recreation	617,293	623,274	590,397	32,877
Total expenditures	617,293	623,274	590,397	32,877
Excess (deficiency) of revenues over (under) expenditures	(587,293)	(593,274)	(534,826)	58,448
OTHER FINANING SOURCES				
Transfers from other funds	600,000	600,000	600,000	-
Total other financing sources	600,000	600,000	600,000	-
NET CHANGE IN FUND BALANCES	12,707	6,726	65,174	58,448
FUND BALANCE, BEGINNING OF YEAR	(21,586)	(21,586)	(21,586)	-
FUND BALANCE, END OF YEAR	$ (8,879)	$ (14,860)	$ 43,588	$ 58,448

EXHIBIT C-5

CITY OF THE COLONY, TEXAS
HOTEL/MOTEL TAXES SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Hotel / motel taxes	$ 1,000,000	$ 1,000,000	$ 2,356,975	$ 1,356,975
Miscellaneous	-	-	1,097	1,097
Total revenues	1,000,000	1,000,000	2,358,072	1,358,072
EXPENDITURES				
Culture and recreation	1,246,396	1,265,369	1,401,302	(135,933)
Capital outlay	-	-	31,177	(31,177)
Debt Service				
Principal	-	-	15,000	(15,000)
Total expenditures	1,246,396	1,265,369	1,447,479	(182,110)
Excess (deficiency) of revenues over (under) expenditures	(246,396)	(265,369)	910,593	1,175,962
OTHER FINANCING SOURCES (USES)				
Issuance of debt - SBITAs	-	-	31,177	31,177
Transfers from other funds	400,000	400,000	400,000	-
Transfers to other funds	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	200,000	200,000	231,177	31,177
NET CHANGE IN FUND BALANCES	(46,396)	(65,369)	1,141,770	1,207,139
FUND BALANCE, BEGINNING OF YEAR	880,787	880,787	880,787	-
FUND BALANCE, END OF YEAR	$ 834,391	$ 815,418	$ 2,022,557	$ 1,207,139

CITY OF THE COLONY, TEXAS
CHILD SAFETY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Grants	$ 50,700	$ 50,700	$ 53,839	$ 3,139
Total revenues	50,700	50,700	53,839	3,139
EXPENDITURES				
Public safety	59,500	59,500	59,500	-
Total expenditures	59,500	59,500	59,500	-
Excess (deficiency) of revenues over (under) expenditures	(8,800)	(8,800)	(5,661)	3,139
OTHER FINANCING USES				
Transfers to other funds	(10,000)	(10,000)	(10,000)	-
Total other financing uses	(10,000)	(10,000)	(10,000)	-
NET CHANGE IN FUND BALANCES	(18,800)	(18,800)	(15,661)	3,139
FUND BALANCE, BEGINNING OF YEAR	135,779	135,779	135,779	-
FUND BALANCE, END OF YEAR	$ 116,979	$ 116,979	$ 120,118	$ 3,139

EXHIBIT C-7

CITY OF THE COLONY, TEXAS
STORM WATER UTILITY SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Licenses and permits	$ 1,000,000	$ 1,000,000	$ 1,275,523	$ 275,523
Total revenues	1,000,000	1,000,000	1,275,523	275,523
EXPENDITURES				
Public works	277,460	277,460	58,090	219,370
Capital outlay	2,987,808	2,987,808	857,982	2,129,826
Total expenditures	3,265,268	3,265,268	916,072	2,349,196
Excess (deficiency) of revenues over (under) expenditures	(2,265,268)	(2,265,268)	359,451	2,624,719
OTHER FINANCING USES				
Transfers from other funds	-	-	1,102,000	1,102,000
Transfers to other funds	-	-	(353,925)	(353,925)
Total other financing sources	-	-	748,075	748,075
NET CHANGE IN FUND BALANCES	(2,265,268)	(2,265,268)	1,107,526	3,372,794
FUND BALANCE, BEGINNING OF YEAR	1,167,281	1,167,281	1,167,281	-
FUND BALANCE, END OF YEAR	$ (1,097,987)	$ (1,097,987)	$ 2,274,807	$ 3,372,794

DISCRETELY PRESENTED COMPONENT UNITS

The Colony Economic Development Corporation (TCEDC) – TCEDC is a legally separate entity from the City and was organized exclusively for the public purposes of the promotion and development of new and expanded business enterprises to provide and encourage employment in the furtherance of public welfare.

The Colony Community Development Corporation (TCCDC) – TCCDC is a legally separate entity from the City and was organized for the purpose of the promotion of economic development by developing, implementing, and financing projects under the Development Corporation Act of 1979.

The Colony Local Development Corporation (TCLDC) – The TCLDC is a legally separate entity from the City and was organized exclusively for the purpose of serving as the primary governing body for the funding of the Tax Increment Reinvestment Zone Number One public infrastructure between the City and NFM Services.

EXHIBIT F-1

CITY OF THE COLONY, TEXAS
THE COLONY ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2023

ASSETS	
Cash and cash equivalents	$ 18,424,937
Sales tax receivable	2,014,520
Restricted assets:	
Cash and cash equivalents	8,594,320
Total assets	$ 29,033,777
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	$ 1,461,321
Total liabilities	1,461,321
FUND BALANCES	
Restricted for:	
Construction	2,321,912
Unassigned	25,250,544
Total fund balance	27,572,456
Total liabilities and fund balances	$ 29,033,777

EXHIBIT F-2

CITY OF THE COLONY, TEXAS
THE COLONY ECONOMIC DEVELOPMENT CORPORATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total fund balances - governmental funds	$	27,572,456
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		6,827,016
Interest payable on long term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(1,013,868)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. Long-term liabilities at year-end consist of:		
Bonds payable		(32,240,000)
Compensated absences		(60,211)
Discount on issuance of debt		1,340,926
Net position (deficit) of governmental activities	$	2,426,319

EXHIBIT F-3

CITY OF THE COLONY, TEXAS
THE COLONY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

REVENUES	
Municipal sales tax	$ 10,056,988
Intergovernmental	17,605
Investment income	789,786
Miscellaneous	2,145
Total revenues	10,866,524
EXPENDITURES	
Current:	
Economic development	6,015,068
Capital outlay	478,149
Debt service:	
Principal retirement	855,000
Interest and fiscal charges	2,175,145
Total expenditures	9,523,362
Excess of revenues over expenditures	1,343,162
NET CHANGE IN FUND BALANCES	1,343,162
FUND BALANCES, BEGINNING OF YEAR	26,229,294
FUND BALANCES, END OF YEAR	$ 27,572,456

EXHIBIT F-4

CITY OF THE COLONY, TEXAS
THE COLONY ECONOMIC DEVELOPMENT CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds	$	1,343,162
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation.		478,149
Depreciation/amortization expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.		(6,311)
Current year amortization of discounts that does not require the use of current financial resources; and, therefore, not reported as expenditures in governmental funds.		(67,046)
Current year changes in accrued compensated absences do not require the use of current financial resources; and, therefore, are not reported as expenditures in governmental funds.		39,219
Current year principal payments on long-term debt are recorded as expenditures in the fund financial statements, but are reflected as reductions of the liability for long-term debt in the government-wide financial statements.		855,000
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		16,690
Change in net position (deficit) of governmental activities	$	2,658,863

EXHIBIT F-5

CITY OF THE COLONY, TEXAS
THE COLONY COMMUNITY DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2023

ASSETS	
Cash and cash equivalents	$ 7,432,429
Sales tax receivable	2,014,520
Prepaid items	189
Restricted assets:	
Cash and cash equivalents	8,594,016
Total assets	$ 18,041,154
LIABILITIES	
Accounts payable	$ 1,311,179
Total liabilities	1,311,179
FUND BALANCE	
Unassigned	16,729,975
Total fund balance	16,729,975
Total liabilities and fund balance	$ 18,041,154

EXHIBIT F-6

CITY OF THE COLONY, TEXAS
THE COLONY COMMUNITY DEVELOPMENT CORPORATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total fund balances - governmental funds	$ 16,729,975
Amounts reported for governmental activities in the statement of net position are different because:	
Interest payable on long term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(993,763)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. Long-term liabilities at year end consist of:	
Bonds payable	(27,545,000)
Discount on issuance of debt	1,340,925
Net position (deficit) of governmental activities	$ (10,467,863)

EXHIBIT F-7

CITY OF THE COLONY, TEXAS
THE COLONY COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

REVENUES		
Municipal sales tax	$	10,056,988
Investment income		607,292
Total revenues		10,664,280
EXPENDITURES		
Current:		
Economic development		12,713,621
Debt service:		
Principal retirement		420,000
Interest and fiscal charges		2,002,225
Total expenditures		15,135,846
Deficiency of revenues under expenditures		(4,471,566)
FUND BALANCE, BEGINNING OF YEAR		21,201,541
FUND BALANCE, END OF YEAR	$	16,729,975

EXHIBIT F-8

CITY OF THE COLONY, TEXAS
THE COLONY COMMUNITY DEVELOPMENT CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds	$ (4,471,566)
Amounts reported for governmental activities in the statement of activities are different because:	
Current year principal payments on long-term debt are recorded as expenditures in the fund financial statements, but are reflected as reductions of the liability for long-term debt in the government-wide financial statements.	420,000
Current year amortization of the costs of discounts on debt issuance does not require the use of current financial resources; and, therefore, not reported as expenditures in governmental funds.	(67,046)
Current year changes in accrued interest payable do not require the use of current financial resources; and, therefore, are not reported as expenditures in governmental funds.	14,700
Change in net position (deficit) of governmental activities	$ (4,103,912)

EXHIBIT F-9

CITY OF THE COLONY, TEXAS
THE COLONY LOCAL DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2023

ASSETS		
Cash and cash equivalents	$	5,827,348
Restricted assets:		
Cash and cash equivalents		12,063,471
Total assets	$	17,890,819
LIABILITIES		
Accounts payable and accrued expenses	$	10,000
Total liabilities		10,000
FUND BALANCE		
Unassigned		17,880,819
Total fund balance		17,880,819
Total liabilities and fund balance	$	17,890,819

EXHIBIT F-10

CITY OF THE COLONY, TEXAS
THE COLONY LOCAL DEVELOPMENT CORPORATION
RECONCILITATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total fund balance - governmental fund	$	17,880,819
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		22,321,911
Interest payable on long term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(3,232,309)
Prepaid insurance costs associated with the issuance of bonds are recorded as expenditures at the time of issuance in the governmental funds financial statements. In the government-wide financial statements, these costs are recorded as an asset and amortized into expense over the life of the debt.		3,570,776
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. Long-term liabilities at year end consist of:		
Bonds payable		(135,610,000)
Deferred loss on refunding		331,972
Discount on issuance of debt		24,776
Net position (deficit) for governmental activities	$	(94,712,055)

EXHIBIT F-11

CITY OF THE COLONY, TEXAS
THE COLONY LOCAL DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

REVENUES	
Intergovernmental	$ 281,800
Municipal sales tax	9,147,098
Investment income	225,735
Total revenues	9,654,633
EXPENDITURES	
Current:	
Economic development	10,500
Debt services:	
Principal retirement	2,995,000
Interest and fiscal charges	6,539,474
Total expenditures	9,544,974
Excess of revenues over expenditures	109,659
FUND BALANCE, BEGINNING OF YEAR	17,771,160
FUND BALANCE, END OF YEAR	$ 17,880,819

EXHIBIT F-12

CITY OF THE COLONY, TEXAS
THE COLONY LOCAL DEVELOPMENT CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - Local Development Corporation	109,659
Amounts reported for governmental activities in the statement of activities are different because:	
Current year amortization of the costs of discounts on debt issuance does not require the use of current financial resources; and, therefore, not reported as expenditures in governmental funds.	(1,999)
The issuance of long-term debt (e.g bonds) provides current financial resources of funds, while the repayment of the principal of long-term consumes the current financial resources. The amount is the net effect of these differences in the treatment of long-term debt and related items.	
Bond principal	2,995,000
Amortization of deferred loss on refunding	(27,664)
Current year changes in accrued interest payable do not require the use of current financial resources; and, therefore, are not reported as expenditures in governmental funds.	63,804
Change in net position (deficit) of governmental activities	$ 3,138,800

THE
COLONY
City by the Lake

STATISTICAL SECTION

THE
COLONY
City by the Lake

STATISTICAL SECTION
(Unaudited)

The City of the Colony's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

		Tables
Financial Trends	These Schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
Revenue Capacity	These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	5-8
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	9-13
Demographic and Economic Indicators	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	14-16
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relate to the services the City provides and the activities it performs.	17-18

CITY OF THE COLONY, TEXAS
NET POSITION BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	$ 192,477,376	$ 192,477,376	$ 216,941,085	$ 204,138,146
Restricted for:				
Debt service	1,257,148	1,257,148	1,826,579	1,027,528
Construction	367,397.00	367,397.00	367,397	367,397
Government funded construction costs	578,825	578,825	791,860	1,729,804
Other	1,014,418.00	1,014,418.00	1,264,226.00	1,684,065
Unrestricted	10,388,094	10,388,094	17,693,194	8,666,844
Total governmental activities net position	$ 206,083,258	$ 206,083,258	$ 238,884,341	$ 217,613,784
Business-type activities				
Net investment in capital assets	$ 40,490,252	$ 40,490,252	$ 25,654,373	$ 97,282,865
Restricted for:				
Debt service	-	-	-	-
Construction	1,333,988.00	1,333,988.00	1,413,437	2,323,551
Government funded construction costs	-	-	-	-
Unrestricted	3,890,445	3,890,445	17,934,272	2,128,657
Total business-type activities net position	$ 45,714,685	$ 45,714,685	$ 45,002,082	$ 101,735,073
Primary government				
Net investment in capital assets	$ 232,967,628	$ 232,967,628	$ 242,595,458	$ 301,421,011
Restricted for:				
Debt service	1,257,148	1,257,148	1,826,579	1,027,528
Construction	1,701,385.00	1,701,385.00	1,780,834.00	2,690,948
Governmental funded construction costs	578,825	578,825	791,860	1,729,804
Other	1,014,418.00	1,014,418.00	1,264,226.00	1,684,065
Unrestricted	14,278,539	14,278,539	35,627,466	10,795,501
Total primary governmental net position	$ 251,797,943	$ 251,797,943	$ 283,886,423	$ 319,348,857

Source: Annual Comprehensive Financial Report

TABLE 1

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ 193,724,440	$ 197,783,498	$ 198,340,131	$ 200,374,394	$ 204,399,731	$ 202,563,554
902,127	863,999	1,802,592	3,183,352	5,124,388	5,296,697
-	-	-	-	-	-
4,716,830	4,538,583	6,866,640	4,130,506	242,568	9,287,925
2,313,497	3,694,856	3,659,079	5,405,009	9,302,645	9,096,902
8,704,028	5,535,911	8,170,872	10,102,289	15,263,719	28,951,563
$ 210,360,922	$ 212,416,847	$ 218,839,314	$ 223,195,550	$ 234,333,051	$ 255,196,641
$ 103,990,659	$ 103,881,697	$ 105,088,143	$ 105,104,266	$ 105,648,298	$ 105,490,614
-	-	-	-	-	-
-	-	-	-	-	-
2,482,944	2,039,020	1,704,315	1,074,088	1,358,869	952,104
4,887,549	7,666,343	6,525,997	6,542,891	7,990,465	11,523,144
$ 111,361,152	$ 113,587,060	$ 113,318,455	$ 112,721,245	$ 114,997,632	$ 117,965,862
$ 297,715,099	$ 301,665,195	$ 303,428,274	$ 305,478,660	$ 310,048,029	$ 308,054,168
902,127	863,999	1,802,592	3,183,352	5,124,388	5,296,697
-	-	-	-	-	-
7,199,774	6,577,603	8,570,955	5,204,594	1,601,437	10,240,029
2,313,497	3,694,856	3,659,079	5,405,009	9,302,645	9,096,902
13,591,577	13,202,254	14,696,869	16,645,180	23,254,184	40,474,707
$ 321,722,074	$ 326,003,907	$ 332,157,769	$ 335,916,795	$ 349,330,683	$ 373,162,503

CITY OF THE COLONY, TEXAS
CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	$ 4,657,245	$ 8,498,744	$ 11,225,704	$ 13,083,945
Public safety	14,111,478	13,702,805	17,950,628	19,078,137
Public works	6,365,189	6,634,461	6,601,440	33,589,099
Culture and recreation	4,861,085	4,945,616	5,171,748	5,504,249
Interest on Long-term Debt	1,615,808	1,552,854	1,390,574	1,731,842
Total governmental activities expenses	31,610,805	35,334,480	42,340,094	72,987,272
Business-type activities:				
Water and sewer	14,046,013	15,332,384	16,750,973	19,040,918
Total business-type activities expenses	14,046,013	15,332,384	16,750,973	19,040,918
Total primary government expenses	$ 45,656,818	$ 50,666,864	$ 59,091,067	$ 92,028,190
Program Revenues				
Governmental activities:				
Charges for Services:				
General government	$ 817,907	$ 677,339	$ 3,608,782	$ 1,927,505
Public safety	1,909,552	1,621,361	1,546,836	1,643,454
Public works	1,734,579	3,308,308	2,213,005.00	2,292,974
Culture and recreation	738,844	758,969	764,819	813,238
Operating grants and contributions	2,673,886	5,712,865	3,268,620	2,641,513
Capital grants and contributions	8,730,508	11,365,061	25,670,242	10,303,953
Total governmental activities program revenues	16,605,276	23,443,903	37,072,304	19,622,637
Business-type activities:				
Charges for Services:				
Water and sewer	14,406,435	15,210,296	15,959,047	17,724,046
Operating grants and contributions	51,745	306,999	307,161.00	306,545
Capital grants and contributions	1,572,935	5,055,328	6,426,313	53,449,568
Total business-type activities program revenues	16,031,115	20,572,623	22,692,521	71,480,159
Total primary government program revenues	$ 32,636,391	$ 44,016,526	$ 59,764,825	$ 91,102,796
Net (Expenses) Revenues				
Governmental activities	$ (15,005,529)	$ (11,890,577)	$ (5,267,790)	$ (53,364,635)
Business-type activities	1,985,102	5,240,239	5,941,548	52,439,241
Total primary government net expenses	$ (13,020,427)	$ (6,650,338)	$ 673,758	$ (925,394)

Source: Annual Comprehensive Financial Report

TABLE 2

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ 17,442,292	$ 15,928,203	$ 14,646,729	$ 15,835,564	$ 15,353,052	$ 21,031,863
19,917,944	24,524,067	24,600,147	25,340,611	26,743,262	31,659,259
15,129,445	9,100,156	8,179,035	10,425,482	11,016,099	11,679,662
6,011,423	6,377,301	5,979,977	7,818,786	7,391,239	7,786,848
1,729,008	2,254,447	1,717,586	1,825,404	3,087,504	1,733,621
60,230,112	58,184,174	55,123,474	61,245,847	63,591,156	73,891,253
19,670,658	20,447,636	23,452,375	27,240,190	26,625,071	27,072,765
19,670,658	20,447,636	23,452,375	27,240,190	26,625,071	27,072,765
$ 79,900,770	$ 78,631,810	$ 78,575,849	$ 88,486,037	$ 90,216,227	$ 100,964,018
$ 2,389,337	$ 2,655,534	$ 2,354,343	$ 3,273,887	$ 2,469,376	$ 3,170,909
1,966,757	1,906,360	1,785,388	2,062,419	2,199,583	2,153,663
2,245,868	2,045,067	1,790,935	1,558,430	2,819,164	2,030,194
821,582	859,582	450,878	888,746	1,097,542	1,119,758
103,553	1,846,995	2,779,572	352,792	723,463	894,411
10,158,807	5,869,468	5,086,196	6,233,192	4,821,561	14,545,732
17,685,904	15,183,006	14,247,312	14,369,466	14,130,689	23,914,667
20,009,706	18,885,913	20,656,614	22,386,290	25,610,329	27,426,435
-	-	-	-	-	-
3,622,560	2,663,115	2,283,690	3,836,581	2,929,119	1,025,239
23,632,266	21,549,028	22,940,304	26,222,871	28,539,448	28,451,674
$ 41,318,170	$ 36,732,034	$ 37,187,616	$ 40,592,337	$ 42,670,137	$ 52,366,341
$ (42,544,208)	$ (43,001,168)	$ (40,876,162)	$ (46,876,381)	$ (49,460,467)	$ (49,976,586)
3,961,608	1,101,392	(512,071)	(1,017,319)	1,914,377	1,378,909
$ (38,582,600)	$ (41,899,776)	$ (41,388,233)	$ (47,893,700)	$ (47,546,090)	$ (48,597,677)

CITY OF THE COLONY, TEXAS
CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 15,561,110	$ 17,277,344	$ 21,204,646	$ 24,719,070
Sales taxes	4,452,674	5,294,228	5,736,997	6,357,581
Franchise taxes	2,415,524	2,672,475	2,527,792	2,609,706
Hotel motel taxes	473,743	525,449	668,011	1,275,280
Penalties and interest	58,769	130,513	294,798	125,543
Interest on investments	19,516	19,660	102,126	256,672
Miscellaneous	706,755	763,871	792,311	838,429
Transfers	652,385	2,004,806	6,742,192	(4,088,203)
Total governmental activities	24,340,476	28,688,346	38,068,873	32,094,078
Business-type activities:				
Interest on investments	3,056	14,125	88,041	205,547
Miscellaneous	-	-	-	-
Transfers	(652,385)	(2,004,806)	(6,742,192)	4,088,203
Total business-type activities	(649,329)	(1,990,681)	(6,654,151)	4,293,750
Total primary government	23,691,147	26,697,665	31,414,722	36,387,828
Change in Net Position				
Governmental activities	12,449,899	23,420,556	32,801,083	(10,450,130)
Business-type activities	4,590,910	3,950,867	(712,603)	8,255,358
Total primary government	$ 17,040,809	$ 27,371,423	$ 32,088,480	$ (2,194,772)

Source: Annual Comprehensive Financial Report

Note: Significant decrease in public works expense in FY2018 due to prior year $26 million contribution of capital assets to Texas Department of Transportation.

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ 27,584,526	$ 31,092,818	$ 34,456,249	$ 36,510,300	$ 38,701,240	$ 43,837,943
7,100,104	8,090,511	7,442,947	9,721,676	11,426,569	11,812,142
2,705,950	2,737,190	2,765,433	2,517,283	2,873,419	2,911,718
1,525,722	1,532,041	849,664	1,044,987	1,937,274	2,356,975
133,895	108,472	114,898	96,423	106,926	152,526
729,690	1,075,171	429,498	26,889	456,215	4,202,359
1,521,033	895,376	1,236,307	1,715,059	5,196,325	5,666,513
(5,397,569)	(474,486)	3,633	(400,000)	(100,000)	(100,000)
35,903,351	45,057,093	47,298,629	51,232,617	60,597,968	70,840,176
356,102	650,030	247,099	20,069	262,050	1,183,203
-	-	-	-	-	306,118.00
5,397,569	474,486	(3,633)	400,000	100,000	100,000
5,753,671	1,124,516	243,466	420,069	362,050	1,589,321
41,657,022	46,181,609	47,542,095	51,652,686	60,960,018	72,429,497
(7,097,817)	(1,109,507)	6,422,467	12,583,862	11,137,501	20,863,590
6,855,063	107,197	(268,605)	2,605,897	2,276,427	2,968,230
$ (242,754)	$ (1,002,310)	$ 6,153,862	$ 15,189,759	$ 13,413,928	$ 23,831,820

CITY OF THE COLONY, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Restricted for tourism	$ -	$ -	$ -	$ -
Restricted for capital projects	367,397	367,397	367,397	367,397
Restricted for other	-	-	-	-
Nonspendable	87,434	109,169	284,122	313,070
Unassigned	10,458,525	12,622,396	13,275,540	13,503,540
Total general fund	$ 10,913,356	$ 13,098,962	$ 13,927,059	$ 14,184,007
All Other Governmental Funds				
Restricted for:				
Capital Projects	$ 12,241,468	$ 3,284,839	$ 790,306	$ 1,729,804
Debt Service	650,022	1,390,478	1,922,262	1,133,536
Other	1,014,418	801,546	1,261,149	1,681,336
Committed	4,208,038	5,566,517	10,688,119	11,099,306
Nonspendable	-	-	5,565	5,294
Unassigned	-	(1,230,851)	-	-
Total all other governmental funds	$ 18,113,946	$ 9,812,529	$ 14,667,401	$ 15,649,276

Source: Annual Comprehensive Financial Report

TABLE 3

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ -	$ -	$ -	$ 2,385,220	$ 6,099,958	-
-	-	-	-	-	-
-	-	-	-	-	3,238,248
110,389	295,737	527,373	705,043	184,128	184,129
14,396,285	15,213,908	18,686,206	19,835,324	23,834,380	37,893,987
$ 14,506,674	$ 15,509,645	$ 19,213,579	$ 22,925,587	$ 30,118,466	$ 41,316,364
$ 20,717,454	$ 18,082,244	$ 19,229,949	$ 20,344,096	$ 23,279,419	$ 20,101,088
1,159,562	1,183,290	2,159,398	3,442,104	5,416,036	5,593,826
2,313,497	3,694,856	3,659,079	3,019,789	3,202,687	5,858,654
1,386,721	963,305	1,051,469	1,277,449	1,658,047	2,152,265
931	13,532	1,032	1,032	816	816
-	(20,716)	-	-	(22,402)	-
$ 25,578,165	$ 23,916,511	$ 26,100,927	$ 28,084,470	$ 33,534,603	$ 33,706,649

CITY OF THE COLONY, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2014	2015	2016	2017
REVENUES				
Ad valorem taxes, penalties and interest	$ 15,487,211	$ 17,708,151	$ 21,257,383	$ 24,665,737
Franchise taxes	2,415,524	2,672,475	2,527,792	2,609,706
Municipal sales tax	4,452,674	5,294,228	5,736,997	6,357,581
Licenses and permits	2,548,914	4,076,413	3,113,013	3,150,756
Charges for services	1,308,917	1,248,868	4,150,248	2,672,368
Fines and forfeitures	1,343,051	1,040,696	870,181	854,047
Grants	309,622	326,685	316,672	412,631
Gifts and contributions	2,700,591	5,881,783	3,252,323	2,445,113
Hotel / motel taxes	473,473	525,449	668,011	1,275,280
Capital recovery fees	6,712,194	1,090,071	2,518,123	1,495,213
Interest earned	19,516	19,660	102,126	256,672
Miscellaneous	706,755	770,156	792,311	838,429
Total revenues	38,478,442	40,654,635	45,305,180	47,033,533
EXPENDITURES				
Current				
General government	3,956,996	4,738,905	7,739,892	9,005,102
Public safety	12,797,691	13,950,864	15,162,864	16,904,990
Public works	2,181,484	3,204,557	3,480,223	4,119,371
Cultural and recreation	4,233,864	4,435,393	4,473,519	4,803,444
Capital Outlay	30,700,864	20,723,176	9,801,947	12,722,830
Debt Service:				
Principal retirement	4,066,150	4,255,146	3,985,693	3,945,295
Interest and fiscal charges	1,647,599	1,638,941	1,485,036	1,885,328
Other debt service costs	25,169	55,015	272,250	269,752
Total expenditures	59,609,817	53,001,997	46,401,424	53,656,112
Excess (deficiency) of revenues over (under) expenditures	(21,131,375)	(12,347,362)	(1,096,244)	(6,622,579)
OTHER FINANCING SOURCES (USES)				
Issuance of debt - bonds	-	3,040,800	-	9,204,000
Issuance of refunding debt	-	-	9,023,150	-
Payment of escrow for refunding debt	-	-	(9,623,402)	-
Premium on issuance of debt	-	250,945	637,273	-
Issuance of debt - SBITAs	-	-	-	-
Proceeds from sale of capital assets	-	935,000	-	731,402
Transfers from other funds	3,718,125	5,277,829	14,488,155	3,332,936
Transfers to other funds	(2,153,219)	(3,273,023)	(7,745,963)	(5,406,936)
Total other financing sources (uses)	1,564,906	6,231,551	6,779,213	7,861,402
NET CHANGE IN FUND BALANCES	$ (19,566,469)	$ (6,115,811)	$ 5,682,969	$ 1,238,823
Debt service as a percentage of noncapital expenditures	19.8%	17.8%	15.6%	14.0%

Source: Annual Comprehensive Financial Report

TABLE 4

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
$ 28,073,387	$ 31,208,682	$ 34,517,810	$ 36,550,929	$ 38,792,035	$ 43,999,806
2,705,950	2,737,190	2,765,433	2,517,283	2,873,419	2,911,718
7,100,104	8,090,511	7,442,947	9,721,676	11,426,569	11,812,142
3,183,516	3,328,364	3,203,525	3,259,282	4,515,248	3,721,083
3,245,584	3,267,327	2,478,974	3,687,233	2,900,182	3,445,900
984,744	891,132	704,360	836,303	1,164,987	994,113
102,554	339,562	2,779,166	352,504	458,246	894,159
4,712,701	3,686,808	3,889,559	1,242,904	1,618,088	702,620
1,525,722	1,532,041	849,664	1,044,987	1,937,274	2,356,975
905,300	856,880	-	-	5,906	12,616,477
729,690	1,075,171	429,498	26,889	456,215	4,202,359
1,521,033	2,982,496	1,236,607	1,715,059	5,196,325	5,666,513
54,790,285	59,996,164	60,297,543	60,955,049	71,344,494	93,323,865
12,787,913	12,251,044	10,433,755	11,611,036	11,204,338	13,705,399
18,538,271	22,225,377	22,666,732	24,497,318	26,857,472	29,700,280
3,955,801	5,312,936	4,599,940	6,243,114	7,408,957	8,111,867
5,370,608	5,621,488	5,105,872	7,035,533	6,763,364	6,839,325
8,985,109	19,677,151	7,750,112	6,059,106	12,467,022	15,849,955
4,485,630	6,785,263	5,675,101	5,377,101	5,622,134	5,304,137
2,044,983	2,355,272	1,993,814	2,259,386	2,244,482	2,703,877
194,643	148,434	186,184	147,333	246,198	-
56,362,958	74,376,965	58,411,510	63,229,927	72,813,967	82,214,840
(1,572,673)	(14,380,801)	1,886,033	(2,274,878)	(1,469,473)	11,109,025
12,726,000	13,242,170	9,652,460	7,587,000	13,394,495	-
-	-	1,708,838	-	-	-
-	-	(7,362,614)	-	-	-
533,188	954,434	-	783,429	817,990	-
-	-	-	-	-	360,919
-	-	-	-	-	-
13,769,908	890,075	3,172,092	797,271	832,584	2,511,617
(15,204,867)	(1,364,561)	(3,168,459)	(1,197,271)	(932,584)	(2,611,617)
11,824,229	13,722,118	4,002,317	7,970,429	14,112,485	260,919
$ 10,251,556	$ (658,683)	$ 5,888,350	$ 5,695,551	$ 12,643,012	$ 11,369,944
13.7%	16.7%	15.1%	13.2%	13.0%	11.5%

TABLE 5

CITY OF THE COLONY, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (UNAUDITIED)

Fiscal Year	Residential Property	Commercial Property	Lots, Land and Farm Property	Less: Tax Exempt Property	Total Taxable Assessed Value[a]	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value[b] as a Percentage of Actual Value
2014	1,639,008,480	850,183,936	97,622,211	279,763,849	2,307,050,778	$ 0.67750	2,307,050,778	100.00%
2015	1,825,181,743	1,096,166,239	99,116,629	395,343,379	2,625,121,232	$ 0.67250	2,625,121,232	100.00%
2016	2,049,580,033	1,366,491,362	80,496,674	396,069,625	3,100,498,444	$ 0.67000	3,100,498,444	100.00%
2017	2,402,844,301	1,657,374,018	79,968,769	522,157,525	3,618,029,563	$ 0.66750	3,618,029,563	100.00%
2018	2,759,088,028	1,754,755,888	73,977,449	513,136,124	4,074,685,241	$ 0.66500	4,074,685,241	100.00%
2019	3,163,815,052	1,818,858,009	67,568,663	524,193,007	4,526,048,717	$ 0.66250	4,526,048,717	100.00%
2020	3,457,125,117	2,203,156,158	57,600,863	550,243,309	5,167,638,829	$ 0.66000	5,167,638,829	100.00%
2021	3,701,008,231	2,496,989,390	57,945,301	530,447,361	5,725,495,561	$ 0.65000	5,725,495,561	100.00%
2022	4,085,351,290	2,445,254,616	61,456,182	624,848,874	5,967,213,214	$ 0.65000	5,967,213,214	100.00%
2023	5,035,625,474	2,797,303,701	46,814,123	1,065,136,128	6,814,607,170	$ 0.64500	6,814,607,170	100.00%

Source: City of The Colony Budget Document
Denton Central Appraisal District

Note: The County assesses property at 100% of its market value. Tax rates are per $100 of assessed value.

[a] Includes adjustments to certified rolls.
[b] Includes tax exempt property.

TABLE 6

CITY OF THE COLONY, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Lewisville Independent School District	Denton County
2014	0.45902	0.21848	0.67750	1.477	0.28491
2015	0.47634	0.19616	0.67250	1.477	0.27220
2016	0.51036	0.15964	0.67000	1.420	0.26200
2017	0.56420	0.10330	0.66750	1.420	0.24841
2018	0.51500	0.15000	0.66500	1.408	0.23781
2019	0.50250	0.16000	0.66250	1.338	0.22557
2020	0.49550	0.16450	0.66000	1.347	0.22499
2021	0.49500	0.16000	0.65500	1.309	0.23309
2022	0.49000	0.16000	0.65000	1.237	0.21754
2023	0.54000	0.10500	0.64500	1.130	0.21754

Source: Lewisville ISD and Denton County.

CITY OF THE COLONY, TEXAS
PRINCIPAL TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

	2023		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value[a]
LMG Ventures LLC	$119,570,000	1	1.75%
TXFM Inc	115,500,000	2	1.69%
LMG Ventures LLC	96,500,000	3	1.42%
Icon The Colony Land Owner Pool C LLC	95,001,443	4	1.39%
Austin Ranch Phase VI Investors LLC	93,000,000	5	1.36%
Hudson MF LLC	92,882,100	6	1.36%
The Residences of Lake District No 1 LTD	89,385,043	7	1.31%
AR Phase 1 LLC	82,000,000	8	1.20%
AR NO.5 LLC	78,147,893	9	1.15%
AR Phase 2 LLC	72,000,000	10	1.06%
AR No.5 LLC	-		-
AR Phase 1 LLC	-		-
AR Phase 2 LLC	-		-
The Residences of Austin Ranch #4 LTD	-		-
The Residences of Austin Ranch #1-4 LTD	-		-
The Residences of Austin Ranch #6 LTD	-		-
VR Estancia Holdings LP	-		-
GS Sonoma Grand LP	-		-
Oly-Ida Bristol Oaks LP	-		-
Wal-Mart Real Est Bus Tr	-		-
	$933,986,479		13.69%

Source: City of The Colony Budget Document and the Denton Central Appraisal District.

Note: [a] Taxpayers are assessed on January 1, 2022 (2022 tax year) for the 2023 fiscal year.

TABLE 7

2014		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value[a]
$46,370,104	1	2.01%
44,129,517	2	1.91%
40,675,582	3	1.76%
40,600,000	4	1.76%
36,015,070	5	1.56%
33,010,927	6	1.43%
24,350,000	7	1.00%
23,173,700	8	1.00%
19,690,600	9	0.85%
15,100,000	10	0.65%
$323,115,500		13.93%

TABLE 8

CITY OF THE COLONY, TEXAS
AD VALOREM TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	15,754,513	15,648,851	99.33%	48,993	15,697,844	99.64%
2015	17,809,441	17,649,319	99.10%	88,356	17,737,675	99.60%
2016	21,051,346	20,697,081	98.32%	293,538	20,990,619	99.71%
2017	24,599,951	24,136,260	98.12%	379,006	24,515,266	99.66%
2018	28,111,210	27,611,357	98.22%	340,693	27,952,050	99.43%
2019	31,414,540	30,872,909	98.28%	122,502	30,995,410	98.67%
2020	34,891,826	34,299,463	98.30%	170,693	34,470,156	98.79%
2021	36,720,735	36,419,012	99.18%	21,602	36,440,614	99.24%
2022	39,049,061	38,680,354	99.06%	(16,525)	38,663,828	99.01%
2023	43,942,382	43,485,132	98.96%	329,220	43,814,352	99.71%

Source: Denton County Tax Assessor and Collector

Note: [a] Taxpayers are assessed on January 1, 2022 (2022 tax year) for the 2023 fiscal year.

TABLE 9

CITY OF THE COLONY, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

	Governmental Activities				Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Other Obligations	Premiums/ Discounts	Water and Sewer Revenue Bonds	Other Obligations	Premiums/ Discounts	Total Primary Government	Percentage of Personal Income[a]	Per Capita[a]
2014	21,140,410	18,023,500	-	4,920,460	-	36,341,435	2,766,448	83,192,253	5.04%	1,849
2015	18,087,560	19,947,850	849,154.00	1,847,216	-	52,177,845	4,012,577	96,922,202	5.88%	2,154
2016	19,344,210	14,765,000	767,611.00	2,106,044	-	59,333,395	4,130,875	100,447,135	6.09%	2,271
2017	16,580,250	22,872,150	683,127	2,592,781	-	63,537,195	4,434,849	110,700,352	6.93%	2,621
2018	15,711,300	37,356,650	595,597	3,260,811	-	56,917,050	3,724,154	117,565,562	7.23%	2,793
2019	11,518,300	46,861,850	1,740,304	3,808,516	-	59,489,850	3,889,886	127,308,706	7.21%	2,854
2020	12,988,300	39,038,100	1,227,460	5,449,889	-	66,366,846	5,398,212	130,468,807	7.39%	2,925
2021	16,406,504	47,832,600	698,539	4,917,141	-	67,209,796	4,878,969	141,943,549	5.67%	2,568
2022	10,288,768	55,142,250	1,526,949	6,025,409	-	62,133,982	4,895,372	140,012,730	6.14%	3,032
2023	8,349,797	52,291,100	1,373,852	5,438,485	-	56,399,103	4,360,388	128,212,725	5.68%	2,804

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a]See Table 14 for personal income and population data.

TABLE 10

CITY OF THE COLONY, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)

	Governmental Activities							
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Other Obligations	Premium/ Discount	Less: Debt Service	Total	Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
2014	21,585,733	19,320,803	-	4,920,460	1,257,148	44,569,848	1.93%	990
2015	18,087,560	19,947,850	-	1,847,216	1,257,148	38,625,478	1.50%	877
2016	19,344,210	14,765,000	-	2,106,044	1,826,579	34,388,675	1.13%	795
2017	16,580,250	22,872,150	-	2,592,781	1,027,528	41,017,653	1.15%	988
2018	15,711,300	37,356,650	-	3,260,811	902,127	55,426,634	1.37%	1,331
2019	11,518,300	46,861,850	-	3,808,516	863,999	61,324,667	1.39%	1,414
2020	15,406,504	40,245,600	-	4,463,515	2,159,398	57,956,221	1.15%	1,327
2021	12,823,723	45,567,200	-	4,695,639	3,183,352	59,903,210	1.12%	1,168
2022	10,288,768	55,142,250	-	6,025,409	5,124,388	66,332,039	1.11%	1,437
2023	8,349,797	52,291,100	-	5,438,485	5,296,697	60,782,685	0.89%	1,330

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a]See Table 5 for property value data.

[b]See Table 14 for population data.

TABLE 11

CITY OF THE COLONY, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Tax Rate Limit	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50
Current Tax Rate	0.678	0.673	0.670	0.668	0.665	0.663	0.6600	0.6550	0.6500	0.6450
Available Tax Rate	$1.82	$1.83	$1.83	$1.83	$1.84	$1.84	$1.84	$1.84	$1.85	$1.85

Note: The City Charter of the City of The Colony, Texas does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to $2.50 per $100 assessed valuation. No direct bond debt limitation is imposed on the City under current state law or the City's Charter.

CITY OF THE COLONY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2023 (UNAUDITED)

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable[a]	The Colony Share of Overlapping Debt
Lewisville I.S.D.	$1,122,520,986	10.36%	$ 116,285,261
Little Elm I.S.D.	607,418,420	8.71%	52,919,242
Denton County	624,655,000	5.26%	32,878,671
	2,354,594,406		202,083,174
City of The Colony (direct debt)	85,641,001	100.00%	85,641,001
Total direct and overlapping debt	$ 2,440,235,407		$ 287,724,175

Source: Assessed value data used to estimate applicable percentages provided by Denton Central Appraisal District. Debt outstanding data provided by each governmental unit.

[a] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

TABLE 13

CITY OF THE COLONY, TEXAS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS (UNAUDITED)

	Water and Sewer System Revenue Bonds				
Fiscal Year	Total Revenues[a]	Less: Operating Expenses[b]	Net Available Revenue	Annual Requirement[c]	Times Coverage
2014	15,013,195	9,871,033	5,142,162	1,795,023	2.86
2015	16,676,674	10,358,961	6,317,713	1,865,816	3.39
2016	16,354,249	11,636,866	4,717,383	2,840,353	1.66
2017	18,236,138	12,543,069	5,693,069	3,263,180	1.74
2018	20,365,808	12,730,553	7,635,255	3,088,754	2.47
2019	19,535,943	13,386,788	6,149,155	2,158,400	2.85
2020	20,903,713	15,514,368	5,389,345	2,159,669	2.50
2021	22,406,359	19,219,467	3,186,892	4,377,433	0.73
2022	25,872,379	18,706,641	7,165,738	4,414,115	1.62
2023	28,609,638	19,197,584	9,412,054	4,751,681	1.98

Note: [a] Includes operating and non-operating revenues.

[b] Includes operating expenses minus depreciation.

[c] Includes Principal and Interest.

CITY OF THE COLONY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS (UNAUDITED)

Year	Estimated Population[a]	Personal Income	Per Capita Personal Income[b]	Median Age[b]	Median Household Income[b]	School Enrollment[c]	Unemployment Rate[d]
2014	45,000	1,627,605,000	36,169	33	73,842	6,714	5.5%
2015	45,000	1,652,040,000	36,712	35	74,162	6,739	3.2%
2016	44,228	1,648,067,964	37,263	35.5	93,076	6,718	3.5%
2017	42,228	1,597,147,416	37,822	35.5	103,677	6,656	3.4%
2018	42,228	1,625,347,440	38,616	34.9	103,677	6,451	3.3%
2019	44,610	1,766,065,290	39,589	35.5	107,620	6,250	3.1%
2020	44,610	1,766,065,290	39,589	35.5	107,620	6,031	3.3%
2021	44,534	2,015,475,238	45,257	35.7	87,748	5,712	3.9%
2022	46,176	2,280,032,352	49,377	34.9	110,760	6,755	3.1%
2023	45,717	2,257,368,309	49,377	36	118,686	6,310	3.9%

Sources: [a] Estimated Population - City of The Colony

[b] Per Capital Income, Median Age & Median Household Income - City of The Colony Economic Development Corporation

[c] School enrollment - Texas Education Agency

[d] Unemployment - Texas Workforce Commission

Note: Personal income is calculated by multiplying estimated population by per capita personal income.

TABLE 15

CITY OF THE COLONY, TEXAS
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO (UNAUDITED)

	2023			2014		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Nebraska Furniture Mart	1,750	1	6.42%	1,000	1	4.60%
Lewisville ISD	687	2	2.52%	690	2	3.17%
Scheels	510	3	1.87%			
City of The Colony	469	4	1.72%	387	4	1.78%
Wal-Mart	355	5	1.30%	353	5	1.62%
Top Golf	220	6	0.81%	450	3	2.07%
Hawaiian Falls	208	7	0.76%	200	7	0.92%
Home Depot	140	8	0.51%	112	8	0.51%
Andretti's	120	9	0.44%			
Quest Resource Mgmt	193	10	0.71%			
Texas Roadhouse						
Williams Sonoma				170	6	0.78%
Austin Ranch						
Edward Don				105	9	0.48%
Tribute				100	10	0.46%
	4,652		17.06%	3,567		16.39%

THE
COLONY
City by the Lake

TABLE 16

CITY OF THE COLONY, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	44	30	31	34	34	38	32	34	34	35
Public safety	141	142	151	165	174	187	198	204	219	215
Public works	36	42	45	47	49	59	52	53	60	61
Culture and recreation	39	38	38	35	35	37	41	41	42	59
Water/wastewater/ Utilities	28	37	37	40	40	38	47	49	51	52
Total	288	289	302	321	332	359	370	381	406	422

CITY OF THE COLONY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

Function/Program	2014	2015	2016	2017
Police				
Number of police officers	53	58	60	60
Number of violations (citations)	12,839	5,932	13,935	13,986
Municipal Court				
Number of traffic cases	12,980	6,979	5,298	9,480
Number of city ordinance cases	327	404	226	805
Fire				
Number of fire fighters	51	58	58	64
Number of paramedics	-	-	-	-
Number of emergency fire responses	720	864	864	860
Number of medical emergencies	1,856	2,127	2,127	2,365
Development Services				
Total number of building permits[a]	3,982	272	277	2,556
Estimated valuation[a]	$198,981,751	$173,859,498	$127,234,464	$213,756,755
Parks and Recreation				
Number of acres	983	983	983	983
Number of recreation center participants	43,083	50,654	52,424	41,595
Library				
Volumes in collection[b]	111,077	115,256	117,538	111,150
Number of library cardholders	19,175	18,498	18,042	17,291
Water and wastewater				
Number of water accounts	12,213	12,532	12,893	13,285
Average daily water consumption (millions of gallons)	4.28	4.70	4.97	5.10
Average daily effluent (millions of gallons)	2.89	2.82	2.74	1,070.00

Sources: City Departments

Notes: [a] Includes residential and commercial permits

[b] Includes books and media.

Fiscal Year					
2018	**2019**	**2020**	**2021**	**2022**	**2023**
6	72	74	79	79	86
15,232	11,718	5,742	5,080	14,105	5,555
11,264	11,264	2,888	4,519	5,174	4,082
860	860	132	141	272	266
78	66	64	71	72	77
-	16	18	14	18	96
909	894	867	1,358	1,588	1,306
2,370	2,425	2,443	2,773	3,102	3,214
4,127	4,216	2,394	3,219	3,219	362
$271,621,030	$394,232,000	$47,041,844	$68,718,187	$68,718,187	$97,359,600
983	983	983	984	984	1,004
44,789	44,789	26,843	43,350	42,850	31,771
121,926	93,919	97,716	92,918	115,560	104,839
16,725	19,101	20,534	21,770	23,127	25,742
13,626	13,864	14,161	14,335	14,660	14,716
5.47	5.46	5.46	5.13	7.87	6.48
1.00	1.23	1	1	2.87	3.49

TABLE 18

CITY OF THE COLONY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
Function/Program	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Public Safety										
Fire Stations	3	3	3	3	3	4	4	4	4	5
Police Stations	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Parks and Recreation										
Number of parks	27	27	27	27	27	27	27	27	27	27
Number of baseball diamonds	11	11	11	11	11	11	15	15	15	15
Number of soccer/football fields	16	16	16	16	16	16	15	15	15	15
Public swimming pools	2	2	2	2	2	2	2	2	2	3
Community centers	1	1	1	1	1	1	1	1	1	2
Library	1	1	1	1	1	1	1	1	1	1
Water and wastewater										
Water mains (miles)	209	212	216	194	195	199	201	203	203	196
Sanitary sewer mains (miles)	207	210	213	206	207	210	212	214	214	151
Fire hydrants	1,536	1,637	1,680	1,795	1,824	1,850	1,925	1,955	1,955	1,934

Sources: City Departments

Notes: [a] Includes residential and commercial permits

[b] Includes books and media.